



# Punjab Government Gazette

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### DEPARTMENT OF INDUSTRIES & COMMERCE

#### NOTIFICATION

The 17th October 2017

**No.CC/Addl Dir./Indl. & Business Development/2017/1369.**-In pursuance of the approval of the Council of Ministers, Government of Punjab conveyed *vide* no. 1/152/2017-1Cabinet/4639 dated 16.10.2017, the Governor of Punjab is pleased to notify '**Industrial and Business Development Policy, 2017**', as per Annexure – A, (page numbers 1-106 ).

**R.K. Verma, IAS**

Secretary to Government of Punjab  
Department of Industries & Commerce

The 17th October, 2017  
Chandigarh

**Annexure-A****Industrial and Business Development Policy 2017**

**Department of Industries and Commerce  
Government of Punjab**

**Message**

1. Punjab stands at the cusp of major transformation with a slew of policies on the anvil to accelerate social and economic development of the State. The policies aim at overcoming the constraints and challenges being faced by the State in various sectors such as agriculture, infrastructure, real estate, education, industry and trade and building on the strengths of the State in these sectors.
2. The Industrial and Business Development Policy 2017 is part of the vision to put the State back on high trajectory of growth and prosperity. The new Policy is a holistic framework for sustainable industrial growth of the State. The policy is architected around eight core strategic pillars of Infrastructure, Power, MSME, Ease of Doing Business, Startup & Entrepreneurship, Skills, Fiscal & Non-Fiscal Incentives and Stakeholder Engagement supported by Sector Specific Strategies for growth.
3. The Policy marks a decisive shift from department centric approach to a business centric approach. The State will realign and restructure various Government institutions in line with the framework of the policy. Building on the success of Invest Punjab, a unified regulator providing services of 21 departments and agencies under one office, the policy envisages to cover all the services throughout the business lifecycle to the existing as well as new investors through one stop digital platform namely Invest Punjab - BusinessFirst.
4. I am sure that the policy will boost industrial activities in the State in a big way and lay the foundation for long term sustainable growth of Punjab's Industry and Businesses creating ample entrepreneurial opportunities and jobs for State's youth.

**Captain Amarinder Singh,  
Chief Minister Punjab**

### Table of Contents

<b>Chapter 1: Introduction .....</b>	10
1.1.    Punjab – a Progressive State .....	10
1.2.    Punjab – a Strong Agriculture base .....	10
1.3.    Punjab’s Industrial landscape – MSMEs, the backbone of Industry .....	10
1.4.    Industrial and Business Development Policy 2017 – A new paradigm .....	10
1.5.    Applicability of the Policy .....	11
<b>Chapter 2: Vision, Mission and Goals .....</b>	12
2.1.    Vision .....	12
2.2.    Mission .....	12
2.3.    Goals .....	12
<b>Chapter 3: Key Strategic Pillars .....</b>	15
3.1.    Eight Core Strategic Pillars .....	15
3.2.    Infrastructure .....	15
3.3.    Power .....	15
3.4.    Micro, Small and Medium Enterprises .....	15
3.5.    Startup and Entrepreneurship .....	15
3.6.    Skill Development .....	16
3.7.    Ease of Doing Business .....	16
3.8.    Fiscal and Non-fiscal Incentives .....	16
3.9.    Stakeholder Engagement .....	16
<b>Chapter 4: Infrastructure .....</b>	18
4.1.    Industrial Infrastructure – Key to the Growth of Industries .....	18
4.2.    Setting up of Punjab Industrial and Business Development Authority .....	18
4.3.    Development of New Industrial Parks and Industrial Land Banks .....	18
4.4.    Development of Integrated Industrial Townships .....	19
4.5.    Development along Industrial Urban Corridors .....	20
4.6.    Core, Support and Social Infrastructure to be provided in Industrial Estates .....	21
4.7.    Common Environment Infrastructure .....	22
4.8.    Maintenance of Industrial Parks .....	23
4.9.    Estate Management .....	24
<b>Chapter 5: Power .....</b>	27
5.1.    Punjab – Robust Power Infrastructure .....	27
5.2.    Uninterrupted and Quality Power .....	27
5.3.    Power at affordable and fixed tariff for 5 years .....	27
5.4.    Up-gradation of power infrastructure to industrial areas .....	27
5.5.    Business Friendly Policies by PSPCL .....	27

---

<b>Chapter 6: MSME Development .....</b>	28
6.1.    MSME Sector – Engine for socio economic growth and employment generation .....	28
6.2.    State's approach to MSME sector development .....	28
6.3.    Setting up of 'MSME Punjab' .....	28
6.4.    Setting up of District level Single Window System for MSME units .....	29
6.5.    MSME Cluster Identification .....	29
6.6.    MSME Cluster Development Programs .....	30
6.7.    Access to Technology for MSMEs .....	30
6.8.    Access to Markets for MSMEs .....	31
6.9.    Access to Infrastructure for MSMEs .....	31
6.10.    Access to Finance for MSMEs .....	31
6.11.    Growth Accelerator Services for MSMEs .....	32
6.12.    Common Environment Infrastructure in MSME clusters .....	32
6.13.    Revival and Rehabilitation of Sick MSME units .....	33
6.14.    MSME facilitation councils at district level .....	33
<b>Chapter 7: Startup &amp; Entrepreneurship .....</b>	34
7.1.    State's approach to Innovation and Entrepreneurship .....	34
7.2.    Startup Punjab - Building a Strong Eco-system for Startups .....	34
7.3.    University and College Incubators .....	34
7.4.    IKG PTU to set up Fund for Startup .....	35
7.5.    Incubation Centres by other Government Organizations .....	35
7.6.    Private Incubators and Accelerators .....	35
7.7.    Setting up of sector specific incubators .....	35
7.8.    Creation of common infrastructure and co-working spaces .....	35
7.9.    Special Focus on Women Entrepreneurship .....	36
7.10.    Special Focus on SC Entrepreneurship .....	36
<b>Chapter 8: Skill Development .....</b>	37
8.1.    Punjab Skill Development Mission – Nodal agency for Skill Development .....	37
8.2.    Identifying the Skill Gap in various clusters .....	37
8.3.    Convergence of various skill development schemes .....	37
8.4.    Setting up of University of Skills and Vocational Education .....	37
8.5.    Setting up of new Multi Skill Development Centres .....	37
8.6.    Setting up of cluster specific Skill Development Centres .....	37
8.7.    Skill Training by large employers .....	38
8.8.    Skill Registry .....	38
<b>Chapter 9: Ease of Doing Business .....</b>	39
9.1.    Invest Punjab .....	39

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9.2.	International Desk .....	39
9.3.	Business First .....	39
9.4.	Reforms in the processes of core departments providing services to Industries .....	40
9.5.	Deemed Approval for various Regulatory Clearances .....	40
9.6.	Reforms related to land and buildings .....	40
9.7.	Reforms in granting Utility Permits .....	41
9.8.	Reforms in Environment Regulations .....	42
9.9.	Reforms in Labour Regulations .....	42
9.10.	Central Inspection System .....	43
9.11.	Strengthening of Third Party Certification .....	44
9.12.	Additional services under Punjab Right to Service Act (RTS) .....	44
<b>Chapter 10: Fiscal Incentives</b>	.....	45
10.1.	General Provision .....	45
10.2.	Incentives to Existing Units for Expansion, Diversification and Modernisation .....	45
10.3.	Freezing of Power Tariff for five years .....	45
10.4.	Framework for Fiscal Incentives and other support measures .....	45
10.5.	Categorization of units in Startup, MSME and Large units .....	46
10.6.	Thrust Sectors of the State .....	47
10.7.	Fiscal incentives for Startup Units .....	47
10.8.	Fiscal incentives for MSME units .....	49
10.9.	Fiscal incentives for Large Units .....	51
10.10.	Fiscal incentives for Units in Thrust Sectors .....	52
10.11.	Fiscal Incentives for Anchor Units .....	53
10.12.	Special incentives for 10 Early Bird Units in the new Industrial Parks approved by the State .....	54
10.13.	Support for Infrastructure Related Schemes .....	55
10.14.	Reduction in Stamp Duty for industrial units on registered mortgage .....	56
10.15.	One Time Settlement (OTS) Policy for dues of PSIDC, PFC and PAIC .....	56
10.16.	Special Relief package for Sick MSME Units .....	56
10.17.	One Time Special Relief Package for Sick Large Units .....	57
10.18.	Interest Waiver Scheme .....	57
10.19.	Special Incentives for Extreme Border Zone .....	58
10.20.	Incentive for products not covered under GST regime .....	58
10.21.	Negative List of Industries .....	58
10.22.	Sun Set Clause and Transition from FIIP(R) 2013 .....	59
10.23.	Exclusions in the exemption from Electricity Duty and Stamp Duty .....	59
<b>Chapter 11: Non-Fiscal Incentives</b>	.....	60
11.1.	General Provision .....	60

11.2.	Department of Housing and Urban Development .....	60
11.3.	Department of Labour .....	62
11.4.	Department of Science and Technology/Punjab Pollution Control Board .....	62
11.5.	Department of Transport .....	63
11.6.	Department of Food and Civil Supplies .....	63
11.7.	Department of Industries & Commerce/Punjab Small Industries & Export Corporation .....	63
<b>Chapter 12: Stakeholder Engagement and Policy Implementation Unit .....</b>		64
12.1.	Stakeholder Engagement .....	64
12.2.	Strategic Plan and Performance Indicators .....	64
12.3.	Policy Implementation Unit .....	64
12.4.	Governance Mechanism for Implementation of the Policy .....	66
<b>Chapter 13: Sector Specific Strategies .....</b>		69
13.1.	Focus on traditional strength as well as emerging sectors .....	69
13.2.	Manufacturing .....	69
13.3.	Services .....	69
<b>Annexure – A: Sectoral Strategies for Manufacturing Industries .....</b>		71
<b>Annexure – B: Sectoral Strategies for Service Industries.....</b>		91

**List of Acronyms**

ABPF	Agri Business Promotion Facility
AIF	Alternate Investment Fund
AKIC	Amritsar Kolkata Industrial Corridor
AVGC	Animation, Visual Effects, Gaming & Comics
CAP	Corrective Action Plan
CETP	Common Effluent Treatment Plant
CFC	Common Facility Centre
CFS	Container Freight station
CGST	Central Goods and Services Tax
CGTMSE	Credit Guarantee Trust for Micro and Small Enterprises
CIAB	Centre of Innovative & Applied Bioprocessing
CIIDS	Critical Industrial Infrastructure Development Scheme
CLCSS	Credit Linked Capital Subsidy Scheme
CLU	Change of land use
CNC	Computerized Numerical Control
CST	Central Sales Tax
DEITY	Department of Electronics & Information Technology
DIPP	Department of Industrial Policy and Promotion
EBZ	Extreme Border Zone
ECS	Equated Car Space
EDC	External Development Charges
EDC	Entrepreneurship Development Centre
EDFC	Eastern Dedicated Freight Corridor
EOU	Export Oriented Unit
ESDM	Electronic System Design and Manufacturing
FAR	Floor Area Ratio
FCI	Fixed Capital Investment
FDDI	Footwear Design & Development Institute
FIIP(R) 2013	Fiscal Incentives for Industrial Promotion (Revised) 2013
FPO	Farmer Producers Organizations
GIS	Geographic Information System
GOI	Government of India
GPS	Global Positioning System
GSDP	Gross state Domestic Product
HR	Human Resources
IBFSN	Integrated business facilitation services network

IDC	Industrial Development Centre
ICD	Inland Container Depot
IGST	Integrated Goods and Services Tax
IIDS	Industrial Infrastructure Development Scheme
IIT	Indian Institute of Technology
ILDP	Integrated Leather Development Programme
IPDS	Integrated Processing Development Scheme
IPR	Intellectual Property Rights
ISB	Indian School of Business
IISER	Indian Institute of Science Education and Research
IT	Information Technology
ITES	Information Technology Enabled Services
KVAH	Kilo Volt Ampere Hours
MEITY	Ministry of Electronics and Information Technology
MOFPI	Ministry of Food Processing Industries
MRO	Maintenance, Repair and Overhaul
MSECDP	Micro and Small Enterprises Cluster Development Program
MSME	Micro, Small and Medium Enterprise
MSDC	Multi Skill Development Centres
NABI	National Agri-Food Biotechnology Institute
NIIFT	Northern India Institute of Fashion Technology
NIPER	National Institute of Pharmaceutical Education and Research
NOC	No Objection Certificate
NRSE	New and Renewable Sources of Energy
NSE	National Stock Exchange
OTS	One Time settlement
PAPRA	Punjab Apartment and Property Regulation Act (PAPRA) 1995
PBIP	Punjab Bureau of Investment Promotion
PBTI	Punjab Biotechnology Incubator
PFC	Punjab Financial Corporation
PIU	Policy Implementation Unit
PMA	Preferential Market Access
PPCB	Punjab Pollution Control Board
PPP	Public Private Partnership
PSU	Public Sector Undertaking
PICTC	Punjab Information and Communication Technology Corporation Ltd.
PSAMB	Punjab State Agricultural Marketing Board

PSIDC	Punjab State Industrial Development Corporation Ltd
PSIEC	Punjab Small Industries and Export Corporation
PSPCL	Punjab State Power Corporation Limited
PIBDA	Punjab Industrial and Business Development Authority
QMC	Quality Marking Centre
QMS&QTT	Quality Management Standards and Quality Technology Tools
RCF	Rail Coach Factory
R&D	Research and Development
RG	Recreation Ground area
RTS	Right to Service Act
SAC	Site Appraisal Committee
SEBI	Securities and Exchange Board of India
SC	Scheduled Caste
SGST	State Goods & Service Tax
SIDBI	Small Industrial Development Bank of India
SME	Small & Medium Enterprise
SPV	Special Purpose Vehicle
STPI	Software Technology Parks of India
TC	Technology Center
T&CPD	Town and Country Planning Department
TEQUP	Technology and Quality Upgradation Scheme
VAT	Value Added Tax
VMC	Vertical Machining Centres
VC Fund	Venture Capital Fund
ZED	Zero Effect Zero Defect

## Chapter 1: Introduction

### 1.1. Punjab – a Progressive State

The State of Punjab is known for its leadership position in the country with rapid strides in all round growth and prosperity. The State has done remarkably well in sectors across the spectrum such as Agriculture, Industry, Health, Education, Sports, Arts, Literature and Culture. The State has excellent infrastructure, human capital, progressive and enterprising people, who can transform every potential opportunity into success. Punjabi diaspora is spread across the world and has carved out a niche for itself.

### 1.2. Punjab – a Strong Agriculture base

- 1.2.1. The State has done exceedingly well in Agriculture and has earned the epithet of “Granary of India”. Punjab is the highest contributor of wheat and rice to the central procurement pool. Agriculture and allied services are one of the key strengths of the State. Punjab has highest per capita availability of milk which is almost four times higher than all India level. It is also the 2nd highest cotton and blended yarn producer in the country. Punjab has highest productivity of Kinnow, a citrus fruit in the country

and highest production of honey in the country.

- 1.2.2. Agriculture, however, has limited potential to drive future economic growth of the State and it is the secondary and tertiary sectors, which will play an important role in future economic growth of the State and creation of jobs for its youth.

**1.3. Punjab's Industrial landscape – MSMEs, the backbone of Industry**

- 1.3.1. Punjab has emerged as the leading hub for textile-based industries such as apparel manufacturing, spinning and hosiery exports. Further, engineering sector is a major contributor in the economy of Punjab. Over the last decade, it has grown more than 16%, and constitutes 23% of the total industrial output of Punjab.

- 1.3.2. The key strength of Punjab is its thriving eco-system of well-established Micro, Small and Medium enterprises. Punjab is home to approximately 1.6 lakh MSME units, which are one of the most important pillars of the industrial growth. Punjab's industry is dominated by small and medium enterprises. It has a rich industrial base of MSME units belonging to Auto Components, Bicycle Parts, Hosiery, Sports Goods, Agricultural Implements and many others.

- 1.3.3. Punjab leads the Country in industrial growth for more than four decades till 1990s. The State has also given rise to some of the prominent industrial houses of the country.

**1.4. Industrial and Business Development Policy 2017 – A new paradigm**

- 1.4.1. The present policy ushers bold reforms, restructures institutions, and presents a holistic framework for sustainable industrial growth of the State. The policy is architected around eight core strategic pillars of Infrastructure, Power, MSME, Ease of Doing Business, Startup & Entrepreneurship, Skills, Fiscal & Non-Fiscal Incentives and Stakeholder Engagement supported by Sector Specific Strategies for growth. The policy gives a great thrust to the development of MSME sector. The policy also aims at promoting growth of service industries apart from the traditional manufacturing industries.

- 1.4.2. In true spirit of the cooperative federalism, the policy envisages substantial alignment and synergy with respective sectoral policies of the Central Government and would focus on optimum utilization of the same and further building upon it.

- 1.4.3. The policy envisages setting up of a Policy Implementation Unit to ensure necessary support for the implementation of various aspects of the policy.

**1.5. Applicability of the Policy**

- 1.5.1. The policy will be applicable for 5 years from the date of notification and can be extended further by the State. The policy may be amended and modified in the course of implementation, however, all such amendments and modifications shall be applied prospectively and shall not curtail any benefit or concession already granted under the policy.

- 1.5.2. The reference to the State in the Policy is reference to the State Government and its relevant departments and agencies as may be specified in the detailed schemes for the implementation of the Policy.

- 1.5.3. The definitions, standard operating procedures and other modalities for fiscal and non-fiscal incentives and other aspects of the policy will be given in the detailed schemes for the implementation of the Policy.

**Chapter 2: Vision, Mission and Goals**

**2.1. Vision**

To develop the State as one of the most economically developed States in the Country and make it the best State for doing business.

**2.2. Mission**

- (i). To accelerate industrial growth and job creation
- (ii). To develop world class infrastructure for the Industry
- (iii). To provide quality and affordable power to the Industry
- (iv). To accelerate growth of MSMEs
- (v). To focus on Start-ups and Entrepreneurship
- (vi). To facilitate availability of skilled manpower to the Industry
- (vii). To improve the ease of doing business in the State
- (viii). To build institutional capacity and enhance institutional linkages
- (ix). To bring synergy between state programs and central schemes

**2.3. Goals****2.3.1. To accelerate industrial growth and job creation**

- (i). To attract Rs. 5 lakh crore of investment in 5 years
- (ii). To increase the Share of secondary sector in GSDP to 30% and tertiary sector to 62%
- (iii). To enable Job Creation – At least one job per household to fulfil Ghar Ghar Rozgaar Mission of the State

**2.3.2. To develop world class infrastructure and bring anchor units**

- (i). To develop 4 industrial parks and 10 Industrial estates in 5 years
- (ii). To attract at least one anchor unit in various manufacturing and service industry Sectors

**2.3.3. To provide quality and affordable power to the Industry**

- (i). To provide power at affordable and fixed tariff for 5 years to the Industry
- (ii). To upgrade power supply infrastructure to all the industrial areas to provide quality and uninterrupted power

**2.3.4. To accelerate growth of MSMEs**

- (i). To carry out in depth study of 10 clusters every year for specific interventions to increase their competitiveness
- (ii). To upgrade and set up common facility centres in 10 clusters every year
- (iii). To upgrade and set up 10 Technology centres in the State

**2.3.5. To focus on startup and entrepreneurship**

- (i). To facilitate 1000 start-ups in 5 years
- (ii). To set up 10 incubation centres/ accelerators in the State particularly focusing on Digital manufacturing, Lifesciences (Biotechnology), Agro &Food Processing and Information Technology
- (iii). To build strong linkages with all the major institutions
- (iv). To facilitate 50 Entrepreneurship Development Centres in the colleges

**2.3.6. To facilitate availability of skilled manpower for the industry**

- (i). To set up one Skill University in the State
- (ii). To set up one Skill centre for each identified industrial cluster

- (iii). To set up advance skilling on hi-tech manufacturing, design and IT skills for 5 identified sectors

#### **2.3.7. To improve the ease of doing business in the State**

- (i). To be in top 5 States in the Country in ease of doing business in 3 years and top position in 5 years
- (ii). To strengthen Invest Punjab initiative by setting up of Business First portal for a single unified interface to the Industry and Businesses for all regulatory and fiscal services throughout their lifecycle
- (iii). To re-engineer the processes of 7 core departments on priority namely Industry, Power, Pollution Control, Labour, Housing & Urban Development, Local Department and Taxation to make them extremely simple, industry friendly and completely digital

#### **2.3.8. To build institutional capacity and enhance institutional linkages**

- (i). To restructure existing entities and empower them through statutory powers to translate the vision and mission into reality
- (ii). To set up a Policy Implementation Unit to support the implementation of various aspects of the policy and monitor the progress
- (iii). To set up effective mechanism for talent acquisition for specialized projects, organizations and other initiatives
- (iv). To set up effective mechanism for partnering with various national and international agencies and develop effective PPP model for infrastructure, technology support, skills and other requirements of the Industry

#### **2.3.9. To bring synergy between state programs and central schemes**

- (i). To strengthen liaison office at Delhi with a strong team to liaison across the Central Ministries and Agencies to ensure that State draws benefits from all the relevant Central Schemes
- (ii). To ensure optimum utilization of central schemes by respective departments and agencies of the State with support from Policy Implementation Unit

### **Chapter 3: Key Strategic Pillars**

#### **3.1. Eight Core Strategic Pillars**

In order to provide a holistic support for the growth of existing industries as well as attracting new manufacturing and service industries, the State would focus on the right set of drivers and enablers to create a business friendly environment. The State has identified eight core strategic pillars for the growth and promotion of industries in the State

#### **3.2. Infrastructure**

The State would develop quality industrial infrastructure with robust policies for its maintenance. The Industrial Parks and Industrial Estates would be brought under one agency and all the necessary amenities and common facilities will be provided in these estates. All the estate management policies will be simplified. The infrastructure development agency will be given statutory powers and suitably strengthened.

#### **3.3. Power**

The State recognizes that power is one of the most crucial input for the industry. The State will accordingly make provision for quality, reliable and cost-effective power to give a great boost to the Industry. The State is power surplus today. The State will provide power to the Industry at affordable

and fixed tariff for 5 years. This would benefit industries across a broad spectrum and will bring much needed respite to the industry. The State would utilise this period of five years to build a strong support system to enhance the productivity, efficiency and competitiveness of the Industry in the State.

#### **3.4. Micro, Small and Medium Enterprises**

The State has a strong base of MSME units. MSMEs play a crucial role in providing large employment opportunities at comparatively lower capital cost. MSMEs also help in industrialization of rural & backward areas, thereby, reducing regional imbalances. The MSMEs in the State are facing a myriad of challenges. The State would build suitable capacity to focus on the development of MSMEs to make it a highly vibrant and dynamic sector.

#### **3.5. Startup and Entrepreneurship**

Innovation and Entrepreneurship are crucial for future growth of State's economy. The State would support cluster specific bottom up approach to build and strengthen Startup and Entrepreneurship ecosystem in the State. The State would follow an entrepreneur centric approach fostering connections and learning. The State will facilitate networking between entrepreneurs and entrepreneurship support organizations by bringing entrepreneurs together in an environment that catalyzes learning. The State would set up a dedicated organization for spearheading its strategy and action plan for promotion of Startup and Entrepreneurship.

#### **3.6. Skill Development**

The State has already set up a State Skill Development Mission, which would be further strengthened. The State would ensure convergence of various skill training schemes to bring scale and synergy. The State is conscious of the dire need for the Industry to adopt next generation manufacturing to become globally competitive. Given high dependence on low skill labour, re-skilling or up-skilling of existing workforce will be required to make them ready for the new requirements. The State would set up cluster specific skill centres for various manufacturing sectors to ensure skilled workforce for the Industry. The State would also focus on employment generating service industry and train its youth for service industry. The State would strengthen industry institute interaction to enhance the employability of youth and would set up Ghar Ghar Rozgar portal to connect skilled youth to the Industry.

#### **3.7. Ease of Doing Business**

The State recognizes the utmost need for providing conducive environment to the industry and businesses in the State. The State would strengthen Invest Punjab initiative by setting up "BusinessFirst" portal to provide all regulatory services and fiscal incentives to the businesses through one common integrated platform and business friendly service delivery network. Each business will be given a unique identification. This will avoid supplying information to multiple web portals and creating multiple credentials. The State would set up District Bureau of Enterprise to provide a wide range of services to the industry. The State would reengineer the processes of seven core departments connected with Industrial development and growth so as to make them extremely simple and easy to follow.

#### **3.8. Fiscal and Non-Fiscal Incentives**

The State would provide a variety of fiscal and non-fiscal incentives to support the growth of existing industries and to attract new investments. The policy provides strong support to MSMEs to enhance their access to Finance, Technology, Market, Infrastructure and other needs. The State has identified certain thrust sectors for growth and they have been provided higher incentives. Keeping in view the significance of Anchor investors, they have been offered special incentives in the policy. It has also given a package of incentives for revival of sick industries. Extreme Border Zone has also been given special incentives. The policy provides a host of non-fiscal incentives to promote industrial growth.

### 3.9. Stakeholder Engagement

Industrial growth and development requires engagement with a very diverse set of stakeholders. The Stakeholder Engagement will be a key essential for the success of the Policy. The policy aims to identify key stakeholders from the State and Central government, Key Industry leaders and Industry Associations, private sector, academic institutions, civil society, as well as development agencies and foreign governments that would require continuous engagement. The policy suggests approaches on how to effectively engage them throughout the implementation of the Policy.

## **Chapter 4: Infrastructure**

### 4.1. Industrial Infrastructure – Key to the Growth of Industries

Industrial Infrastructure is one of the key mainstays in the long term development of the Industry. The Government aims to develop robust infrastructure including core and supporting infrastructure which shall provide long term benefits to the industry and set the State on the path of planned industrial growth. It is also the endeavour of the Government to simplify laws and rules for infrastructure development, management and maintenance through a single Industrial Infrastructure Development Agency in the State.

### 4.2. Setting up of Punjab Industrial and Business Development Authority

- 4.2.1. In order to streamline all the activities pertaining to Industrial Infrastructure development, maintenance and management, Punjab Small Industries and Export Corporation (PSIEC) needs to be strengthened and the State would set up Punjab Industrial and Business Development Authority (PIBDA), a statutory body to spearhead industrial development including industrial infrastructure in the State.
- 4.2.2. All Industrial estates, industrial parks, industrial focal points, industrial growth centres etc. (to be referred as Industrial Parks hereafter) developed by the Directorate of Industries (Punjab), Punjab Small Industries & Export Corporation (PSIEC), Punjab Infotech (PICTC) and Punjab Agro Industries Corporation and other such agencies shall be transferred to the Authority for development, management and maintenance.
- 4.2.3. The Authority shall be declared local authority for the purposes of maintaining various Industrial Parks and shall also be vested with the powers of Special Urban Planning and Development Authority and other powers under Punjab Regional and Town Planning and Development Act, 1995 for ensuring planned development of various designated industrial areas under the Master Plan of respective cities.

### 4.3. Development of New Industrial Parks and Industrial Land Banks

- 4.3.1. In order to provide impetus to rapid industrial growth, the State would develop new Industrial Parks, which shall have the best-in-class infrastructure. The State through the Authority will develop 4 major Industrial Parks and 10 other Industrial Parks covering general and sector specific requirements of various industrial sectors. The State would help identify and transfer various village common lands and unutilized government lands for being developed as Industrial Parks. In addition, the Authority will also keep a ready shelf of land bank, earmarked after their due feasibility is established, which can be offered to the Industries.
- 4.3.2. In order to reduce the upfront investment from the State in assembling and developing various land pockets, making projects viable and greater benefits to the stakeholders, the State would take following steps:
  - (i). The State will frame appropriate land pooling scheme for acquisition of land for industrial parks.
  - (ii). The State will frame appropriate scheme to develop Industrial Parks in partnership with land owners, where land is contributed by the land owners and the authority will bring expertise for

development and marketing of the Park. This will be particularly helpful in case of village common lands and a revenue sharing arrangement with village panchayat will bring greater benefits to both village panchayat and the State.

- (iii). In case of unutilized government lands, the same may be made available free of cost to the Authority for developing industrial parks.
- (iv). The Authority would also mobilize upfront payments from the allottees to meet upfront cost of acquisition of land by allotting the lands with the finalization of layout plan and its approval by the competent authority.
- (v). The land value in the area appreciates considerably due to setting up of industrial park at any location, the State would devise a scheme to share part of the increased stamp duty with the Authority.
- (vi). In order to reduce the development cost, the State would avail the financial assistance and grants available for development of Mega Food Parks, ESDM Parks, Amritsar Kolkata Industrial Corridor development, Integrated Leather Park, MSME infrastructure upgradation and other Central schemes for infrastructure development.

#### **4.4. Development of Integrated Industrial Townships**

##### **4.4.1. Integrated development – Live, Work and Play**

Industrialization and urbanization are related phenomenon and therefore the State would have an integrated approach to face the challenges arising from the same. The State would develop integrated townships with provision of residential, industrial, commercial and other needs rather than developing industrial areas and residential areas separately. These industrial townships should follow a philosophy of Live, Work and Play to ensure high degree of quality of life and liveability.

- 4.4.2. Land to the Industry at reasonable price – A large scale mixed land use project would be able to provide land to the industry at reasonable price reaping benefits from other components of the project.
- 4.4.3. Attracting talent – A township based on live, work and play will be able to provide necessary support for various needs of the professionals and as a result will help in attracting talent for the industry.
- 4.4.4. Inclusive growth - The needs of urban poor and industrial labour are often not met adequately and they are forced to live in the slums. Various schemes for housing for poor could not be effectively implemented due to lack of availability of land. The new townships will provide land for social housing to cater to the needs of weaker sections of the society particular the industrial workers who would need housing and other facilities.
- 4.4.5. Decongestion of cities – The State will also enable the industries located in the congested areas of the city or non-conforming zones (where Master Plan stipulates their shifting after certain time period) to the new areas being developed and allow the inner areas for more value added city use.

#### **4.5. Development along Industrial Urban Corridors**

##### **4.5.1. Amritsar Kolkata Industrial Corridor (AKIC)**

The State will develop area falling in AKIC along the Eastern Dedicated Freight Corridor (EDFC) as major industrial hub. It will cover important towns of Rajpura, Sirhind, Doraha, Sahnewal and Ludhiana. The State has already identified various land parcels for the purpose of setting up Industrial Estates along AKIC.

##### **4.5.2. Chandigarh-Amritsar Industrial Corridor**

Chandigarh-Amritsar is an important urban industrial corridor. The State will strengthen the existing

industrial clusters on this corridor. The State would further carry out the feasibility of various identified land pockets on this corridor and develop new Industrial Parks and Industrial Townships along this corridor.

#### **4.5.3. Chandigarh-Hoshiarpur-Gurdaspur Industrial Corridor**

Development of Chandigarh-Hoshiarpur-Gurdaspur Industrial corridor will give a fillip to Kandi Area and Border Area. The State would further carry out the feasibility of various identified land pockets on this corridor and develop new Industrial Parks and Industrial Townships along this corridor.

#### **4.5.4. Chandigarh-Patiala-Sangrur-Bathinda Corridor**

Development of Chandigarh-Patiala-Sangrur-Bathinda corridor will ensure development of industrial infrastructure in Malwa region of the State and provide employment opportunities to youth in this region.

#### **4.5.5. Development of Economic Corridors along major rivers**

The State will explore canalization of major rivers namely Ravi, Beas and Sutlej and construct high speed economic corridors along these rivers to attract industry and investment, which will develop these areas and provide jobs and growth opportunities to local people.

### **4.6. Core, Support and Social Infrastructure to be provided in Industrial Estates**

- 4.6.1. Though the actual infrastructure facilities will depend on the nature, size and resources available for an industrial Parks, the State would endeavour to provide the following core, support and social infrastructure in all the existing and future industrial Parks in a time bound manner:

#### **Core Infrastructure**

- (i). Developed Industrial Plots
- (ii). Roads, Storm Water Drainage and Street Light
- (iii). Water Supply
- (iv). Power Supply Network
- (v). Solid Waste Disposal
- (vi). Environment Conservation Initiatives – Green Spaces, Parks and Gardens
- (vii). Telecommunication,
- (viii). Gas

#### **Support Infrastructure**

- (i). Skill Development Centre
- (ii). Technology Centre
- (iii). Common Facility Centre
- (iv). Common Effluent Treatment Plant
- (v). Recycling of Waste
- (vi). Exhibition and Convention Centre
- (vii). Cargo Logistics Centre/ Custom bonded warehousing
- (viii). Petrol and Service Station
- (ix). Fire Station
- (x). Space for public amenities – Post office/Banks/Insurance, other Institutions

**Social Infrastructure**

- (i). Industrial Housing
- (ii). Healthcare and medical attendance services
- (iii). ESI Dispensary/ Hospital
- (iv). Schooling & Crèches
- (v). Organized transport linkages

**4.6.2. Provision for MSME units in the Industrial Estates**

The State would earmark adequate land for MSME units including land for development of flatted factories, industrial sheds and other measures to support MSME units. Further, the State would allow the plots to be used for duly identified service enterprises.

**4.6.3. ESI Hospitals and Dispensaries**

In many industrial estates, plots have been reserved but no ESI hospital or dispensary has been set up. The State would take up with ESI department either to develop the facilities in a time bound manner otherwise the State would arrange for alternate model for delivering services in such Industrial Estates.

**4.6.4. Affordable Housing for the workforce and provision of crèches**

- (i). In order to ensure availability of labour, development of affordable housing including dormitories and hostels will be done in or around industrial estates.
- (ii). The State would make suitable land available for developing affordable housing under various State and GOI schemes and devising suitable PPP model.
- (iii). The State will allow conversion of industrial plots lying vacant for affordable housing for labours keeping in view the demand of such facilities in respective industrial estates.
- (iv). The State will also facilitate setting up of crèche facilities in the industrial areas.

**4.6.5. Exhibition and Convention Centres**

Exhibition centers play a key role in enabling the Industry to showcase and market their range of products. The State will set up Exhibition and Convention centers with the latest infrastructure and facilities including spacious conference halls, display areas, proper parking, etc. in Mohali, Ludhiana, Jalandhar and Amritsar in first phase.

**4.6.6. Warehousing Facility**

All the new Industrial Parks shall have the provision of warehousing facilities, which could be developed in PPP mode providing good facilities and latest infrastructure. Further, provisions shall be made to develop Warehousing facilities near existing clusters, in case such demand exists.

**4.7. Common Environment Infrastructure**

- 4.7.1. The State firmly believes that Industrial development has to be environmentally sustainable. Common Environment Infrastructure is the need of the hour for industries not capable of putting up their own Environment Management System due to technical, financial or land related constraints. This is particularly required to support MSME units in various industrial clusters.
- 4.7.2. The State in partnership with Industry Associations will facilitate setting up of common environment infrastructure such as Common Effluent Treatment Plants, Common Hazardous Waste Treatment Facilities, E-Waste Collection and Disposal facilities and other such facilities to protect the environment and promote sustainable development.
- 4.7.3. The State shall utilize various schemes such as MSME-CDP scheme of Ministry of MSME, Integrated

Processing Development Scheme (IPDS) of Ministry of Textiles to avail funding for setting up of CETPs. Apart from facilitating assistance under various Central and State Schemes, the State will also facilitate setting up of common facilities on PPP.

- (i). Provide land for CETPs on lease
- (ii). Exemption of Electricity duty on the operations of the CETP
- (iii). Expedite any existing or future State shares in setting up of CETPs

#### 4.7.4. **Natural Gas**

The State will explore supply of Natural gas to the Industrial Parks through proper connectivity.

#### 4.7.5. **Availability of water for industrial use**

The State will set up Ground Water Authority to frame appropriate and sustainable policies for use of water. The State would also work towards greater use of surface water for industrial purpose and suitable schemes will be framed.

#### 4.7.6. **E-waste facility**

Keeping in view the amount of e-Waste being generated, the State would set up adequate facilities for e-Waste collection and recycling.

### 4.8. **Maintenance of Industrial Parks**

#### 4.8.1. **Nodal Agency for maintenance**

The Authority shall be the nodal agency responsible for maintenance of all the Industrial Parks in the State. It will have the status of local authority. The Authority will collect and retain the charges accrued from the industrial estates, focal points, etc. transferred to the Authority in the form of property tax, water, sewerage, solid waste and utilize the same for development, upgradation, maintenance and management of the industrial areas.

#### 4.8.2. **Levy of maintenance service charge**

The Authority would levy maintenance service charges on industrial units located in the Industrial Parks to meet the gap, if any, in the income and expenditure on maintenance.

#### 4.8.3. **Upgradation of Industrial Parks on PPP**

Keeping in view that the industrial Parks are currently in poor shape, huge resources would be required to upgrade the existing infrastructure and then maintain the same as per global standards. Immediate improvement in infrastructure and their maintenance is essential. In order to ensure global standards and attract investment and management from the private sector in the maintenance of various industrial parks, the Authority will work out suitable model for upgradation and maintenance of industrial parks in PPP mode.

#### 4.8.4. **Amendment in Common Infrastructure (Regulation and Maintenance) Act 2012**

Wherever SPVs for maintenance have been formed and have come forward for maintenance of industrial estates, the Authority will involve them in the maintenance of Industrial Areas. The State will further suitably amend the existing Common Infrastructure (Regulation and Maintenance) Act, 2012 regarding maintenance of Industrial Parks in line with the Policy.

### 4.9. **Estate Management**

#### 4.9.1. **Uniform Estate Management Procedure**

- (i). The Authority will be responsible for all estate management services of all the industrial estates, focal points and other areas transferred to it by Directorate, Punjab Infotech, Punjab Agro and other agencies.

- (ii). The Authority will simplify and revise existing estate management practices of different agencies keeping in view the changing economic environment, aspirations of the Industry and ensuring ease of doing business for existing and prospective allottees. The guidelines and processes pertaining to allotment, reservation, transfer of plots, grant of NOCs, land use changes and other aspects of Estate Management will be simplified and revised.
- (iii). The Authority will notify and publish a standard Estate Management Procedure for all the industrial estates, industrial focal points, industrial growth areas etc. developed or transferred to the Authority.
- (iv). The Authority will develop online system for all the estate management services in a time bound manner.

#### **4.9.2. Unlocking the potential of land – Liberalizing zoning regulations**

- (i). Many of the old focal points and industrial areas have come inside the city. Further, there is need to provide various support services and infrastructure to the industrial units in the focal point. In fact, in case of MSMEs, a number of services have also been included in the definition of enterprise. It is accordingly required that duly identified activities are permitted in the zoning regulations of industrial parks and estates.
- (ii). ELTOP Sector in SAS Nagar was setup long back and keeping in view the present needs, the permissible usage needs to be reviewed and liberalized.
- (iii). The department of housing and urban development has already notified a scheme for conversion of industrial plots to other usage under certain terms and conditions, the same would be reviewed to make it more effective.
- (iv). The State would also provide an effective mechanism for resuming the vacant plots so that they can be given to deserving entrepreneurs.
- (v). Zoning regulations will be liberalized to provide for flatted factories. Further, keeping in view the paucity of land, the State and the Authority would go for vertical growth and grant of higher FAR would be liberalized.

#### **4.9.3. Unlocking the potential of land – Liberalising the lease and other terms and conditions of old allotments**

- (i). Some of the terms and conditions of allotment and lease deeds executed by the State and various agencies have emerged as a bottleneck towards utilization of idle land with the Industry. PSIEC has liberalised many of the lease terms and conditions over a period of time as per the demand of the Industry for their growth. PICTC is still following different policies. Uniform Estate Management Policy will be notified.
- (ii). Provisions regarding unearned profit clause and other such restrictive clauses in the terms and conditions of sale or lease will be reviewed.
- (iii). Provision of mortgaging of land to raise finances and sub-leasing will be reviewed with a view to make them more liberal.

#### **4.9.4. E-auction of plots**

Wherever the number of qualified applicants are more than number of plots, the plots will be allotted by way of e-auction.

#### **4.9.5. One Time Voluntary disclosure and Amnesty scheme**

It has been noticed that the old allottees have committed certain violations of terms and conditions of

allotment pertaining to unauthorized transfer/ leasing/ change in constitution etc. The State would come out with one time amnesty scheme for regularization of such cases.

#### 4.10. **Private Industrial Park**

The State will separately formulate a scheme for promotion and development of Industrial Parks in Private Sector.

### **Chapter 5: Power**

#### 5.1. **Punjab – Robust Power Infrastructure**

Power is one of the basic factors of production for Industry. Punjab is a power surplus state and has adequate power supply to meet the demand. The state has excellent distribution network which includes 66 KVA sub-stations at every 10 km. It has the country's first ever 400 KVA ring main system covering the entire state. The state has a cumulative installed renewable energy capacity of 1,422 MW with 475 MW of Biomass power and over 800 MW of solar power. The state thus has an advantage of surplus power and a robust power infrastructure.

#### 5.2. **Uninterrupted and Quality Power**

Punjab is the only state in North India which has been able to control the theft of power and has achieved reduction of aggregate technical and commercial losses below 15%. The Government is committed to supply uninterrupted electricity at affordable rates so as to attract industrial investments in the state.

#### 5.3. **Power at affordable and fixed tariff for 5 years**

Power represents a major recurring expenditure. In order to enhance the cost competitiveness, the State will provide power at affordable and fixed tariff for 5 years. This would not only benefit the new industry in Punjab, but also help in reviving the existing industry of Punjab, which has always been the State's pillar of strength.

#### 5.4. **Up-gradation of power infrastructure to industrial areas**

The State will through the concerned department and agency get the audit of the power distribution networks to the Industry conducted and any gaps such as lack of dedicated feeders, lack of proper feeder capacity, faults in distribution etc. will be appropriately addressed. In order to mobilize upfront investment in upgrading distribution infrastructure to the industrial estates, the State will explore the possibility of private sector participation for Industrial Estates at Ludhiana, Jalandhar and Amritsar.

#### 5.5. **Business Friendly Policies by PSPCL**

PSPCL will review its policies to make them more business friendly for release of new connection, enhancement of load, splitting of connection, import of bulk power, rationalization of various electricity rates and other service charges, peak load charges, procurement from state MSME's and OTS policy etc.

### **Chapter 6: MSME Development**

#### 6.1. **MSME Sector – Engine for socio economic growth and employment generation**

- 6.1.1. MSME sector plays a crucial role in providing large employment opportunities at comparatively lower capital cost. MSMEs also help in industrialization of rural & backward areas, thereby, reducing regional imbalances. MSME sector has emerged as an engine for socio economic growth.
- 6.1.2. The Micro Small Medium Enterprises Development (MSMED) Act 2006 enacted by Central Government seeks to facilitate the development of these enterprises, enhance their competitiveness and provides a legal framework for recognition of both manufacturing and services entities.

6.1.3. Khadi and Village Industries development, which is being looked after by Khadi and Village Industries Board would also be supported as part of the MSME sector.

#### 6.2. **State's approach to MSME sector development**

6.2.1. The State recognizes that different stages of MSMEs have different needs. MSME growth can be broadly classified into five stages – Ideating a Business, Starting a Business, Growing a Business, Reviving a Business and Exiting a Business. The policy will address various needs that emerge in these stages.

6.2.2. The Policy is not merely subsidization of factors of production but growth and performance oriented. The policy will strengthen the state institutions to support a smart MSME Ecosystem driven by efficiency and innovation.

#### 6.3. **Setting up of 'MSME Punjab'**

6.3.1. Punjab has a strong base of close to 1.6 lac MSME units truly reflecting the enterprising spirit of the State. In order to address a myriad of challenges being faced by the MSMEs in the State and to make it a highly vibrant and dynamic sector, the State would set up 'MSME Punjab', as part of the Punjab Industrial and Business Development Authority to focus on the development of MSMEs.

6.3.2. 'MSME Punjab' will address the following key functions pertaining to MSME sector in the State:

- (i). Enhance the competitiveness of MSMEs in the changed economic scenario.
- (ii). Adequate flow of credit from financial institutions/banks
- (iii). Support for technology upgradation and modernization
- (iv). Modern testing facilities and quality certification
- (v). Access to modern management practices
- (vi). Support for product development, design intervention and packaging
- (vii). Assistance for better access to domestic and export markets and
- (viii). Entrepreneurship development and skill upgradation through appropriate training facilities
- (ix). Cluster-wise measures to promote capacity-building and empowerment of the units and their collectives.

6.3.3. MSME Punjab will have dedicated divisions and requisite competencies to provide necessary assistance to MSME units in Access to Finance/Credit, Access to Technology, Access to Market, Access to Skills and other needs of the Sector. The organization will be assisted by professional agencies in delivering various services to its stakeholders.

#### 6.4. **Setting up of District level Single Window System for MSME units**

6.4.1. In order to strengthen support to the industry particularly MSME sector at the District Level, the State would set up a strong and effective Single Window System at the District level.

6.4.2. The District level Single Window System will provide following services to MSME Units:

- (i). One stop clearances for all regulatory services
- (ii). One stop clearances for all fiscal incentives
- (iii). Facilitate access to Infrastructure
- (iv). Facilitate access to Finance/ Credit
- (v). Facilitate access to Technology
- (vi). Facilitate access to Mentoring
- (vii). Facilitate other support measures to MSME sector

(viii). Facilitate support to Self Employment, Startup and Entrepreneurship Development

#### **6.5. MSME Cluster Identification**

6.5.1. The State would clearly identify and delineate various industry clusters based on their presence in various geographic locations. The same would be marked on GIS for their visibility and providing necessary linkages.

6.5.2. The State would particularly prioritise following clusters for development in phase 1:

- (i). Cycle and Cycle Parts
- (ii). Automobiles and Auto components
- (iii). Light Engineering
- (iv). Machine Tools
- (v). Leather and Sports Goods
- (vi). Petro-Chemicals
- (vii). Secondary Steel
- (viii). NRSE Equipments
- (ix). Textile and Apparel
- (x). Agri and Food Processing
- (xi). Electronics
- (xii). IT/ITES
- (xiii). Life Sciences and Pharmaceuticals

#### **6.6. MSME Cluster Development Programs**

The State will follow cluster approach for development of MSME Sector. The State will focus on optimal utilization of Central Government schemes for developing and upgrading various MSME clusters. Common facilities will be set up in partnership with SPV's of respective clusters. Apart from the Schemes of Central Government for cluster development, the State would also formulate its own scheme for cluster development based on the felt needs of the State and gaps in the Central Scheme.

#### **6.7. Access to Technology for MSMEs**

##### **6.7.1. Setting up of Technology Centres**

The State will set up one Technology Centre for each major industrial cluster. Technology Centre shall act as a hub of research and demonstration of latest tools and technological know-how, innovation & design services, prototyping, testing & calibration, incubation and training. These Technology Centres will partner with Punjab Technical University, Council for Science and Technology and other research and technical organizations at national and international level.

##### **6.7.2. Setting up of Common Facility Centres**

The State will aim to set up one Common Facility Centre (CFC) in each major industrial cluster. CFCs shall have testing labs, marketing centers and other supportive capacity as per the needs of the concerned cluster. The State and the Authority may provide land free of cost on lease basis for setting up of CFCs by SPVs under Ministry of MSME's Cluster Development Programme or other schemes.

##### **6.7.3. Upgradation of QMCs and IDCs as Technology Centres, Common Facility Centres and Skill Centres**

Revamping of the existing Quality Marking Centres (QMC's) and IDCs as technology centres and

common facility centres on Public Private Partnership model shall be undertaken for supporting the MSME sector. There are 13 existing QMCs and 20 IDCs in the state catering to different sectors like Engineering, Sports Goods, Leather, Paints, Textile, and Machine Tool etc.

#### 6.7.4. **Adoption of Central Schemes**

The State would ensure adoption of technology upgradation and modernization schemes for MSMEs such as Credit Linked Capital Subsidy Scheme (CLCSS), Technology and Quality Upgradation Scheme (TEQUP), Lean Manufacturing, Quality Management Standards and Quality Technology Tools (QMS & QTT) and ZED (Zero Effect Zero Defect). The State would also make its own scheme to promote these concepts.

#### 6.7.5. **Water, Energy and Safety Audit**

The State will incentivize audit of water, energy and safety to promote technology adoption by MSME units.

### 6.8. **Access to Markets for MSMEs**

The State would take a number of measures to extend export and marketing support to MSMEs:

- (i). The State would encourage various E-commerce portals for online trading and marketing of MSME products.
- (ii). The State would make MSME units aware and encourage them to register on Government E-Market Place to avail of opportunities in the Government procurement.
- (iii). The State will collect marketing intelligence for tracking and forecasting trends in demand and linkages with raw materials and technology. The information should be disseminated to MSME units.
- (iv). The State will facilitate ancillary units and supply clusters around the anchor units such as Rail Coach Factory, Kapurthala, DMW, Patiala and other such anchors.
- (v). Annual buyer & Seller Meets and Vendor Development Programmes in respect of large industry, CPSU and major State PSUs will be organized by the State in collaboration with MSME-DI
- (vi). The state shall provide financial assistance to MSME for showcasing their products at local, national and international event.
- (vii). Greater thrust will be given on income generating economic activities by women and a system will be developed for marketing of their home made traditional articles such as “durries, khes, embroidery work, Phulkaries, hosiery etc.” on a regular basis.

#### 6.9. **Access to Infrastructure for MSMEs**

The State will provide developed sheds, flatted factories and plug and play infrastructure for MSMEs across the districts.

### 6.10. **Access to Finance for MSMEs**

- 6.10.1. The State will facilitate MSME units in seeking credit from financial institutions by providing them required information and handholding in documentation.
- 6.10.2. The State shall facilitate raising funds through National Stock Exchange( NSE) dedicated platform for SME's, called 'Emerge' where small companies can list and raise productive capital. The State will provide necessary incentives to make the SMEs available on the exchange platform.
- 6.10.3. The State would explore the possibility of setting up a government sponsored SME equity participation fund in partnership with SIDBI and National Stock Exchange of India Limited.

- (i). The main objective of the Fund will be to invest in the IPOs of the emerging high growth potential companies in the state, in both the manufacturing and services sector.
- (ii). The investment manager for the fund will be a Government appointed agency. The appointed investment manager will be responsible for investment decisions of the fund.
- (iii). NSE shall undertake third party due diligence of such companies and submit it to government fund manager, with a view to empowering investors to make better-informed investment decisions.
- (iv). The listing of securities of the investee company on NSE-EMERGE will be a means of creating liquidity for that investment
- (v). Such companies will be enrolling for NSE's Capital Markets Program, which shall include physical & virtual participation in training and awareness activities.

#### **6.11. Growth Accelerator Services for MSMEs**

- 6.11.1. The State will provide Growth Accelerator services for MSMEs. It shall involve designing a bespoke intervention for each MSME sector targeting their challenges and encompass a blend of coaching, training and handholding. The State would partner with globally established agencies to appoint and train Growth managers to coach MSMEs to achieve higher growth. Sustainability of these growth managers as service providers shall be pursued.
- 6.11.2. Further, there are large number of GOI schemes which offer unit level incentives to specific industries e.g. Food processing, electronics, leather, textiles. The State will partner with suitable agencies to facilitate benefits to greater number of MSMEs in the state. It shall support MSMEs in preparing applications and obtaining approvals under respective schemes.

#### **6.12. Common Environment Infrastructure in MSME clusters**

The State will facilitate setting up of common environment infrastructure such as CETPs in various MSME clusters. Apart from utilizing assistance available under various schemes, the State will facilitate setting up of common environment infrastructure on PPP. The State will provide land and other concessions for setting up of CETP and Private Partner will make the requisite investment and will recover from industry in the form of user charges.

#### **6.13. Revival and Rehabilitation of Sick MSME units**

The State will closely monitor implementation of RBI's framework for identification, nursing and providing rehabilitation package to potentially viable sick units of the State. The State shall identify and prepare district wise list of sick units. The identified viable sick MSMEs shall be provided relief measures by the State for their rehabilitation and revival.

#### **6.14. MSME facilitation councils at district level**

- 6.14.1. MSME facilitation council has been set up under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006. It functions as a state-level council and MSMEs have to visit Chandigarh to seek the council's remedial measure for the recovery of delayed payments by medium, large industries, Public Sector Undertakings, State and Central Government undertakings.
- 6.14.2. In order to make the functioning of the Council effective, the State will also set up MSME Facilitation Councils under the Chairmanship of respective Deputy Commissioners at Ludhiana, Jalandhar, Amritsar, SAS Nagar and Patiala by designating them as Director for providing effective services to MSE units at district level.

## **Chapter 7: Startup & Entrepreneurship**

### **7.1. State's approach to Innovation and Entrepreneurship**

- 7.1.1. The State is known for the enterprising spirit of its people, which brought green revolution and also made Punjab a hub of small and medium enterprises. The State now has to transition to knowledge and technology driven enterprises. It has to develop a new culture of innovation. The State recognizes that innovation and entrepreneurship are crucial for future growth of State's economy.
- 7.1.2. The State would support cluster specific bottom up approach to build and strengthen Innovation and Entrepreneurship ecosystem in the State. The State would follow an entrepreneur centric approach fostering connections and learning. The State will facilitate networking between entrepreneurs and entrepreneurship support organizations by bringing entrepreneurs together in an environment that catalyzes learning.

### **7.2. Startup Punjab - Building a Strong Eco-system for Startups**

- 7.2.1. The State will launch "Startup Punjab" to build a strong eco-system for nurturing innovation and Startup. The State will ensure necessary convergence and synergy in various Central and State programs promoting innovation, entrepreneurship and Startup. It will promote networking of various reputed academic institutions carrying out research and innovation and other organizations running incubators and accelerators.
- 7.2.2. The State has a large number of reputed national level research and academic institutions particularly around the State capital such as Indian School of Business (ISB), Indian Institute of Technology (IIT), National Institute of Pharmaceutical Education and Research (NIPER), Indian Institute of Science Education and Research (IISER) and National Agri-biotech Institute apart from various State Universities for Technical Education and Higher Education and other institutions of excellence.
- 7.2.3. The State will connect these leading institutions and leverage their expertise and research capabilities for promoting innovation, entrepreneurship and Startups in the State. The State will connect them with entrepreneurs and global network of venture capital, angel funds and mentors. It will accelerate the state's handholding in not only technology sector but also other fields like manufacturing, healthcare, agriculture, tourism etc.

### **7.3. University and College Incubators**

The State will promote setting up of Incubation Centres in Universities and other Academic Institutions. These incubation centres play an important role in promoting entrepreneurial culture in students. It inculcates the concept of entrepreneurship in the mind of students in place of finding the jobs after completing their study. Besides the principles and practices of good business ownership which incubator programs provide, the student business owners also enjoy a creative, innovative, and engaging environment. The State will also put in the efforts to build strong academia industry linkages and networking through these incubation centres. The incubation facilities could also be made available to non-residents or non-students to bring greater benefits and learnings for all stakeholders. The students will be provided information and support regarding available State & Central schemes, incentives and grants.

### **7.4. IKG PTU to set up Fund for Startup**

In order to help youth of the State and develop them into entrepreneurs, IKG Punjab Technical University in partnership with State Government will set up Startup Fund of Rs. 100 crores, which will be used for promoting incubation centres, seed money for Startups, scale up funding and other support to the Startup units. 25% funds will be dedicated to promote Startups by SC and Women entrepreneurs.

**7.5. Incubation Centres by other Government Organizations**

There are a number of Incubation Centres set up by various Central and State Government organizations such as Biotech Incubator, STPI Incubation Centre. These incubation centres need to be promoted effectively and necessary linkages with the State Government programs and industry shall be provided.

**7.6. Private Incubators and Accelerators**

The State would also encourage private sector lead Incubation Centres and Accelerators and provide them necessary support. The State would frame a scheme to provide various fiscal and non-fiscal incentives to promote development of Incubation Centres in private sector.

**7.7. Setting up of sector specific incubators**

In order to provide impetus to entrepreneurship in the focus sectors for development, the State would encourage setting up of sector specific incubators such as Digital manufacturing, Lifesciences & Biotechnology, Agro & Food Processing and Information Technology. These incubators will be set up in and around the existing and envisaged industry clusters in the State.

**7.8. Creation of common infrastructure and co-working spaces**

The State would facilitate creation of adequate support infrastructure for boosting innovation ecosystem. Such infrastructure would be created across different sectors in all districts in Punjab and would comprise of components such as:

- (i). Ready-to-use office spaces
- (ii). R&D and testing labs
- (iii). Software and hardware solutions
- (iv). Services such as legal, accounting, HR, IPR, etc.
- (v). Facilities such as internet connectivity, electricity, water, security, etc.

**7.9. Special Focus on Women Entrepreneurship**

7.9.1. Women entrepreneurs constitute a small percentage of overall entrepreneurs. Women entrepreneurs need to be encouraged for significant social and economic development and inclusive growth. The State would identify specific challenges women entrepreneurs face in formal and informal sectors of economy including rural and urban areas and create facilitative environment for women entrepreneurs to contribute to economic development.

7.9.2. The State would encourage women entrepreneurs, create awareness among women entrepreneurs on various State & Centrally sponsored schemes. The State would also handhold women who have business ideas and are interested to start their business ventures. The State will provide specific schemes to promote Women entrepreneurship.

**7.10. Special Focus on SC Entrepreneurship**

7.10.1. For growth and prosperity to be truly inclusive, all sections of the society need to partake in this prosperity. Besides wage employment and education, the marginalized sections of the society also need to envision, create and scale-up ventures to be a major participant in this growth story. There is a need to substantially increase SC entrepreneurs and number of SC owned enterprises to enable the socio-economic empowerment of the SC communities.

7.10.2. The state would encourage SC entrepreneurs, create awareness among SC entrepreneurs on various State & Centrally sponsored schemes and provide handholding support to them. The state will dovetail Standup India program with State specific schemes to promote entrepreneurship amongst SC youth.

## **Chapter 8: Skill Development**

### **8.1. Punjab Skill Development Mission – Nodal agency for Skill Development**

Skilled workforce is essential for growth and competitiveness of Industries. The State has already set up Punjab Skill Development Mission, a nodal agency to spearhead skill development activities in the State. The Mission would further be strengthened and integrated with the Industry requirements.

### **8.2. Identifying the Skill Gap in various clusters**

The State would work out specific skill development needs including advance skilling for various sectors. The State would identify skill gaps in all the major industrial clusters.

### **8.3. Convergence of various skill development schemes**

The State would ensure convergence of various skill training schemes to bring scale and synergy. Various skill training schemes being run by different departments would be transferred to the Mission. At the district level, District Bureau of Employment and Enterprises will be coordinating the implementation of various skill development schemes.

### **8.4. Setting up of University of Skills and Vocational Education**

The State will set up a University of Skills and Vocational Education in Punjab. The University will help upgrade the standard of skills and vocational training in the State by devising Industry relevant curriculum, offering skill based certificate, diploma and degree programs relevant for Industry and Employers. The University will co-ordinate with the Department of Technical Education, Department of Higher Education and Department of Industries and other relevant Departments and Organizations of the State and Central Government and Industry bodies to enhance employability of students.

### **8.5. Setting up of new Multi Skill Development Centres**

In order to ensure quality training and make skill training aspirational, the State has already set up state of the art multi skill development centres at Ludhiana, Jalandhar, Amritsar, Hoshiarpur and Bathinda. The State will further set up new MSDC in the remaining districts in PPP mode.

### **8.6. Setting up of cluster specific Skill Development Centres**

The State would work out specific skill development needs including advance skilling for various sectors. The State would identify skill gaps in all the major industrial clusters. The State will set up cluster specific Skill Development Centres, which shall allow skilling of new entrants as well as skill upgradation of existing workers in the clusters. The State will also set up Advanced Skill Development Centres for providing latest know-how and courses to meet high end skill requirement of the Industry. These may be part of the Technology Centres being set up in the State.

### **8.7. Skill Training by large employers**

The State would work with large employers in various industry sectors to create skill training facilities in partnership with such employers.

### **8.8. Skill Registry**

In order to help both the skilled candidate and employers, the State would maintain a registry of all the skilled candidates passing out from different institutions and under various skill training schemes. The State may utilise the Labour Information Management System developed by Central Government.

## **Chapter 9: Ease of Doing Business**

### **9.1. Invest Punjab**

The State accords highest priority to enhance the ease of doing business in the State. Improving the business environment is key to spur growth and generate employment. The State has set up ‘Invest

Punjab', a unified regulator vested with the powers to grant regulatory clearances across 23 departments. Building on the success of Invest Punjab, to strengthen facilitation support to the industry at the district level, the State would set up a similar mechanism at the District level to provide one stop clearance for all regulatory services and one stop disbursement of all fiscal incentives apart from providing host of other services to MSME units and other industrial units as may be notified by the State.

## 9.2. **International Desk**

To attract foreign investments in various manufacturing and service industry sectors and to enable an investor friendly experience for the foreign investors, the State would be setting up International Desks as part of Invest Punjab for focus countries to facilitate such prospective global investors.

## 9.3. **BusinessFirst**

### 9.3.1. **Facilitation to existing as well as new Industry**

Building on the success of Invest Punjab, the State will launch BusinessFirst, an initiative to put Ease of Doing Business as the core philosophy of the State. The State realizes unequivocally that a conducive business environment and facilitation is pre-requisite for growth, innovation and employment generation in the State. BusinessFirst means putting the welfare and growth of businesses as foremost priority of the State. The State would ensure business facilitation services of the highest order. BusinessFirst will be supported by an integrated business facilitation services network (IBFSN).

### 9.3.2. **BusinessFirst Portal – A unified electronic portal for online services to the Businesses**

9.3.3. The State would take the ease of doing business in the State to the next level by replacing multiple electronic interfaces by various regulatory departments and agencies providing services to the Industries through their lifecycle by setting up a unified BusinessFirst portal. The BusinessFirst portal will provide services to both existing as well as new industries. The portal will also provide online facility for availing various fiscal incentives and centralized inspection mechanism. BusinessFirst will provide a common platform driven by robust IT infrastructure and services for all regulatory services and fiscal and non-fiscal incentives being delivered to the businesses throughout their lifecycle.

9.3.4. The State would follow a business centric and whole of government approach to design BusinessFirst portal. It will be one stop shop providing transparent, efficient and convenient interface, through which the government and businesses can interact ensuring less physical touch points, easy applicability and reduced timelines.

9.3.5. BusinessFirst portal will have a strong backend integration with every stakeholder to mandatorily perform processing of application through the portal only. It will help real time tracking of the status of various processes and generate alerts for possible delays. BusinessFirst portal will provide dashboard for review and monitoring at various levels.

### 9.4. **Reforms in the processes of core departments providing services to Industries**

Apart from setting up BusinessFirst portal to provide hassle free services to the industries, the State would reform and reengineer various processes of following departments/agencies based on the national and international best practices on priority:

- (i). Punjab Pollution Control Board/ Department of Science, Technology and Environment
- (ii). Punjab State Power Corporation Limited/ Department of Power
- (iii). Punjab Small Industries and Exports Corporation/ Department of Industries and Commerce
- (iv). Department of Taxation
- (v). Department of Labour

- (vi). Department of Housing and Urban Development
- (vii). Department of Local Government
- (viii). Department of Revenue

#### **9.5. Deemed Approval for various Regulatory Clearances**

A statutory mechanism will be provided for deemed approval for various regulatory clearances at all levels. The entrepreneur will be at liberty to proceed further for execution of the project beyond the prescribed time limit subject to his certifying that all the provisions of regulations will be complied with.

### **9.6. Reforms related to land and buildings**

#### **9.6.1. Transparency in Land Allotment System**

The State will put in place a transparent and clear policy for allotment of plots and ensure GIS mapping of available land and plots for industrial use and make the information available on BusinessFirst portal. The State will design and implement a land allotment system that allows online application and payment without the need for a physical touch point for document submission and verification and implement the same through BusinessFirst Portal. The State would have single agency for industrial infrastructure, and all land would be allotted through that Authority.

#### **9.6.2. Reforms in Registration of Property**

The State shall ensure seamless integration between Department of Revenue and Department of Local Bodies. The State will develop online system for registration of properties.

#### **9.6.3. Online availability of master plans & CLUs**

The State would ensure that duly notified master plans for all the planning areas are widely available and published on BusinessFirst portal. Khasra number and GPS coordinates (if available) would also be superimposed on various plans and made available online. The Change of Land Use service will be made available online.

#### **9.6.4. Notification of Uniform Building Code and online approval of building plans**

The State would notify 'Punjab Uniform Building Code, 2017' applicable to the entire State and for all agencies. The State would provide online facility for submission and approval of building plans.

#### **9.6.5. Single Application form for construction permit related clearances**

The Department of Housing and Urban Development & the Department of Local Government and other agencies granting constructions permits shall integrate their services of granting occupation/ completion certificate via One Stop Clearance System and subsequently with BusinessFirst Portal. The State will introduce single form for construction permits to be sanctioned within a specified time period. The State would also ensure issuance of single completion cum occupancy certificate within 15 days.

### **9.7. Reforms in granting Utility Permits**

#### **9.7.1. Easing the process of Electricity Connection**

The State would reduce the number of documents required for obtaining the electricity connection to only two i.e. proof of ownership/occupancy and authorization document in case of firm/company.

#### **9.7.2. Reducing the timeline for new connections**

The State would ensure that charged electrical connections up to 150 KVA is provided within 7 days, where no 'RoW' is required and in 15 days where RoW is required from concerned agencies. The State would devise the system where there is deemed ROW clearance subject to depositing the requisite fee to the relevant agencies.

**9.7.3. Reducing the timeline for certificate from Chief Electrical Inspector**

The State would ensure online certification by Chief Electrical Inspector within 7 days.

**9.7.4. Road Cutting Permissions**

The State would ensure grant of road cutting permissions by PWD and other agencies through BusinessFirst portal.

**9.7.5. Release of Water Connection**

The State would ensure online permission for water connection from concerned authority to be given within 7 days.

**9.8. Reforms in Environment Regulations****9.8.1. Exemption from Grant of CTE/CTO for Green Category**

The State in consultation with Punjab Pollution Control Board exempt Green Category Industries from consent management subject to appropriate self-regulatory measures.

**9.8.2. Auto-Renewal of CTE and enhancement of validity period**

The State in consultation with Punjab Pollution Control Board would allow auto-renewal of Consent to Establish based on self-certification/third party certification and validity period of consent will also be enhanced.

**9.9. Reforms in Labour Regulations**

9.9.1. The State would allow third party certification from the competent person for approval of plan and permission to construct/extend/or take into use any building as a factory under the Factories Act, 1948.

9.9.2. The State would Introduce self-certification for registration of principal employer's establishment under the Contracts Labour (Regulation and Abolition) Act, 1970 and registration under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

9.9.3. The State would further simplify the self-certification scheme for industries and employers under various Central and State laws regarding labour, factories and industries. The requirement of performance bank guarantee will be removed. The random inspections will be limited to not more than 5% of the units. The self-certification scheme may be made mandatory for Startups, MSME, IT/ITES, Life Sciences and Biotechnology and other such categories except for certain categories of industries based on risk profiling of the industries.

9.9.4. The State will undertake comprehensive labour law reforms creating employment opportunities through greater investments and easing the conduct of business in the state. More investments will open-up new avenues for labour. The reforms will be aimed to create better opportunities in the organised labour sector, which is essential for quality employment. The State will examine necessary amendments in Industrial Disputes Act, Factories Act and Contract Labour Act, which have been carried out by other States:

**Industrial Disputes Act**

- (i). Firms employing up to 300 workers can retrench or shut shop without govt's permission against the current limit of 100 workers.
- (ii). In case of retrenchment, a worker should raise an objection within 3 months. There is no time limit at present.
- (iii). Trade union can be formed only if it gets 30% of the workers as members against the current provision of 15%.

### **Factories Act**

- (iv). The Act will apply to factories with 40 workers, if without electricity; and 20 workers, if with electricity (the present condition respectively is 20 and 10).
- (v). Complaints against an employer about violation of this Act would not receive cognisance by a court without prior written permission from the State Government.
- (vi). A provision for compounding of offences will be added.

### **Contract Labour Act**

- (vii). The Act will apply to companies employing more than 50 workers (against current provision of 20 workers)
- (viii). The industries will be able to hire more temporary workers without passing on to them the benefits contract workers are entitled to.

### **9.10. Central Inspection System**

- 9.10.1. The State would institutionalize a Central Inspection System for Labour (Regulation and Abolition) Act 1970, Factories Act 1948, the Boilers Act 1923, Various Environment Regulations and other laws to minimize multiple visits of inspectors.
- 9.10.2. The State would design and implement a computerized system for identifying building/area that needs to be inspected based on risk assessment. The State will mandate online submission of inspection report within 24 hours to the department. No inspection will be carried out by the Inspector without the prior approval of the department.
- 9.10.3. The State will standardize the process of Inspection System and establish a dedicated Joint Inspection Cell. The cell will have the database of all facilities, including basic information like the geographical location, sector, and compliance history, as well as information specific to the area of inspection.
- 9.10.4. BusinessFirst portal will be set up to allow complete data sharing between all participating departments, inspections reports generation and management, mobile/email access, automated scheduling of inspections and work schedules of inspectors.
- 9.10.5. Joint Inspection Cell will ensure that the central inspection process is optimized that the resources are allocated to enterprises based on the identified risk profile.

### **9.11. Strengthening of Third Party Certification**

Wherever a technical expertise is required for inspection and certification, the State would notify a panel of technically competent agencies along with their terms and conditions, which can carry out third party inspection and certification on behalf of the State. The State has already provided for third party certification under certain laws, for which the scheme would be strengthened and additional services under the remaining laws will be taken up for third party certification.

### **9.12. Additional services under Punjab Right to Service Act (RTS)**

The State will notify remaining services to the Industries under RTS Act, 2011. The State will also rationalise the timelines for all services pertaining to Industries under RTS Act, 2011 and simplify the proformas and work flow for delivery of services to ensure timely execution and delivery.

## **Chapter 10: Fiscal Incentives**

### **10.1. General Provision**

- 10.1.1. The State would frame detailed schemes in line with the provisions of the policy regarding various fiscal incentives and other support measures. The detailed schemes would inter-alia lay down in detail,

eligibility criteria, terms and conditions, manner of processing the applications and disbursement of incentives amongst other relevant modalities for availing the incentives. In order to ensure clarity and unambiguity in the instructions, all the departments will consult the Department of Industries and Commerce before issuance of notifications.

- 10.1.2. The State would like to encourage adoption of modern quality practices and the incentives may be linked to achievement of performance ratings, ZED ratings etc.
- 10.1.3. All the incentives to individual units will be disbursed through online portal. The applications will be submitted in the system, using the forms designed for the same. The system will enable online scrutiny of applications and online generation of responses to the applicant. The applicants will be able to view the response in the system.
- 10.1.4. In case of any conflict or contradiction in the provisions contained in the policy and detailed schemes, the provisions of detailed scheme shall prevail for all intent and purposes.

#### **10.2. Incentives to Existing Units for Expansion, Diversification and Modernisation**

Existing manufacturing units undertaking Expansion, Diversification or Modernisation as per the prescribed standards shall be eligible for all the incentives at par with new units. In case of service industry units, only the new units shall be entitled to incentives under the policy.

#### **10.3. Freezing of Power Tariff for five years**

State will introduce two-part electricity tariff i.e. fixed and variable tariff and provide power at a variable tariff of Rs. 5/- per KVAH for five years with no increase in the existing fixed electricity tariff. The variable electricity tariff will be further reduced during non-peak night hours. This tariff is exclusive of any duties or cess that may exist or may be imposed.

The tariff shall be applicable to all manufacturing and IT & ITES industries.

#### **10.4. Framework for Fiscal Incentives and other support measures**

The State has devised following framework for providing various fiscal incentives and other support measures to the manufacturing and service industries:

- (i). Categorization of units as Startup, MSME, Large and Anchor units
- (ii). Identification of thrust sectors
- (iii). Fiscal incentives as per categorization of units and thrust sectors
- (iv). Special incentives for early bird units in the new industrial parks approved by the State or Central Government
- (v). Support for Infrastructure Schemes
- (vi). Special incentives for Extreme Border Zone

#### **10.5. Categorization of units in Startup, MSME and Large units**

The State has categorised manufacturing and service industries into various categories to provide different level of support. Various categories have been defined in the following table:

<b>SN</b>	<b>Category</b>	<b>Definition</b>
1	Startup Units	All units as defined by DIPP, Government of India from time to time
2	MSME Units	All manufacturing and service industry units as defined by Ministry of MSME, Government of India from time to time. However, for the purposes of fiscal incentives, the service enterprises shall be limited to the list given below at serial no. (4).

3	Large	All manufacturing and service industry units not falling within the definition of MSME as defined by Ministry of MSME, Government of India from time to time. However, for the purposes of fiscal incentives, the service enterprises shall be limited to the list given below at serial no. (4).
4	Service Enterprises under MSME or Large category eligible for Fiscal Incentives	<ul style="list-style-type: none"> <li>(i). IT and ITES</li> <li>(ii). Life Sciences</li> <li>(iii). Skill Development Centres, Incubation Centres, Accelerators</li> <li>(iv). Healthcare</li> <li>(v). Tourism &amp; Hospitality</li> <li>(vi). Media and Entertainment</li> <li>(vii). Logistics including Bulk Courier Service</li> <li>(viii). Industrial R&amp;D labs, Industrial Testing Labs</li> <li>(ix). Engineering and Design Services,</li> <li>(x). Equipment Rental and Leasing (construction and industry related)</li> <li>(xi). Equipment Maintenance and Repair</li> <li>(xii). Environment services (Sewage/ refuse disposal)</li> <li>(xiii). Printing presses offset printing press, Flexi/Vinyl Printing, Flexo printing</li> <li>(xiv). Readymade Garment units with investment more than 10 lakh on Building &amp; Machinery</li> <li>(xv). Auto servicing and /or repairing units with investment more than 10 lakh on Building &amp; Machinery</li> <li>(xvi). Packaging activity with investment more than 10 lakh on Building &amp; Machinery</li> <li>(xvii). Any other service enterprises notified by the State Government for inclusion in the list from time to time.</li> </ul>

#### 10.6. Thrust Sectors of the State

10.6.1. The State has identified following sectors as thrust sectors keeping in view the potential for their future growth in the state and employment generation:

##### **Manufacturing Industry**

- (i). E-vehicle, NRSE Equipment, Energy Storage Devices, Medical Equipment, Industry 4.0 based manufacturing enterprises
- (ii). Apparel and Made-ups, Technical Textiles
- (iii). Footwear and Accessories
- (iv). Food Processing Industries
- (v). Electronics
- (vi). Aerospace and Defence
- (vii). Biotechnology, Pharmaceutical

##### **Service Industry**

- (i). IT and ITES
- (ii). Life Sciences

- (iii). Skill Development Centres, Incubation Centres, Accelerators
- (iv). Healthcare
- (v). Tourism & Hospitality
- (vi). Media and Entertainment
- (vii). Logistics

10.6.2. The definition of above sectors, eligible activities and other terms and conditions shall be as per the detailed schemes to be notified under the Policy.

#### **10.7. Fiscal incentives for Startup Units**

10.7.1. All incentives, which are available for MSME units will also be available to Startup Units.

10.7.2. In addition, following fiscal benefits will be available to Incubators and Startup units:

<b>SN</b>	<b>Nature of Incentive</b>	<b>Extent of Incentive</b>
<b>A Incubators</b>		
1	Capital Subsidy	<ul style="list-style-type: none"> <li>i) Govt. Host Institutes shall be provided capital grant of 100% of FCI subject to max INR 1 Cr for setting up of Incubator</li> <li>ii) Private Host Institutes &amp; Stand-alone Incubators shall be provided capital grant of 50% of FCI subject to max INR 50 lakh for setting up Incubator</li> </ul>
2	Recurring Expense Reimbursement	All approved Incubators shall get the support for recurring expenses as Operational Subsidy assistance up to the limit of INR 3 lakh per year for a period of 5 years
3	Mentoring & Training	In order to provide mentoring for priority issues such as fundraising, scaling, recruitment and product interface, Incubators shall be provided Mentoring Assistance support up to a limit of INR 3 lakh per year for a period of 5 years
4	Startup Competition Assistance:	To encourage entrepreneurship culture in colleges, Eligible Institutes of National Importance, State Universities & Central Universities based in the State, established Incubators in these institution's premises shall be supported by state government to organize such startup competition fest annually in which state shall provide assistance up to the limit of INR 5 lakh per event.
<b>B Startup Units</b>		
1	Interest Subsidy	Eligible Startups shall be provided interest subsidy of 8% per annum for a period of 5 years on the rate of interest paid on loans obtained from scheduled banks/financial institutions subject to the maximum limit of INR 5 lakh per annum
2	Lease rental subsidy	Reimbursement of 25% of lease rental subsidy to eligible Startup units established in the State, operating from Incubators/IT Parks/Industrial Clusters or any other notified location shall be eligible for a period of 1 year subject to the ceiling of INR 3 lakh per annum.
3	Seed Funding	A Seed Grant up to INR 3 Lakh per start-up shall be provided for validation of idea, prototype development, assistance towards travelling costs and carrying out field/ market research/ skill training/ marketing and initial activities to setup a Startup etc. Seed funding to Startups would be routed through State/Centre recognized Incubators.

- 4 Scale up Funding      The Government would create a corpus fund of INR 100 Cr dedicatedly for category I funding to meet the funding requirement for scalability of Startups. The salient features of the Fund would be as follows:
- (a) It will have initial corpus of INR 100 Cr to be invested over a period of 5 years as the Alternative Investment Fund (AIF).
  - (b) The Fund would not invest directly into the Start-ups, but shall participate with capital commitment in SEBI registered Category 1 AIF Venture Funds
  - (c) SIDBI would be professional fund manager for managing this Fund of Fund & would empower their empanelled VCs to fund Punjab Based Startups.
  - (d) The mandate would be given by state government to make 10% contribution in the total corpus of the VC Fund subject to the condition that VC invests twice the amount contributed by the State Government in the Startups based in Punjab. The proportionate return or proceeds from the Venture Funds shall be remitted back to the FoF. This returns along with Capital gains shall be used to continue to fund Venture Funds to continuously support rapidly growing start-up eco-system.
  - (e) The State Government in total would contribute 10 % of the funds size to be raised by VC and it shall be released only when the VC makes investment in Punjab based Startup

#### 10.8. Fiscal incentives for MSME units

The State will provide following incentives to MSME units:

SN	Nature of Incentive	Extent of Incentive
<b>A. Access to Finance</b>		
1	Investment subsidy by way of reimbursement of net SGST on intra-State sale	Reimbursement of 100% of net SGST for 7 years from the date of commercial production with a cap of 100% of FCI.
2	Interest Subsidy on term loan in Border Districts and Kandi Area	Interest subsidy @ 5% pa only in Border Districts and Kandi Area subject to maximum of Rs. 10 lakh per year for 3 years
3	Interest Subsidy on term loan to SC Entrepreneur/ Women Entrepreneur	Interest subsidy @ 5% pa only to SC Entrepreneur/ Women Entrepreneur subject to maximum of Rs. 10 lakh per year for 3 years
4	Additional State Support of interest subsidy under Credit Linked Capital Subsidy Scheme (CLCSS) of Ministry of MSME, GOI	Interest subsidy of 5% subject to maximum of 5 lakh per year for a period of 3 years and shall not exceed amount of net SGST paid during the relevant year to such units eligible under CLCSS scheme.
5	Additional State Support of reimbursement of guarantee fee charged under Collateral Free Credit Guarantee Trust for Micro and Small enterprises (CGTMSE) Scheme	100% of guarantee fee to be reimbursed to micro and small enterprises subject to maximum of Rs. 1 lac

6	Financial assistance to SMEs for 'Emerge' exchange platform set up by NSE	To make the SMEs available on the 'Emerge' exchange platform set up by NSE, the State will provide the following incentives:  (i). 10% of the cost of Public Issue expenses, subject to maximum of Rs.2.50 lakh for registration of National Stock Exchange.  (ii). Direct subscription upto 10% of the Public Issue to be provided out of corpus to be created jointly with SIDBI, Nationalized banks & the State Government subject to a maximum of Rs. 10 lakh.
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**B. Access to Infrastructure**

7	Exemption from Electricity Duty	100% exemption for 7 years
8	Exemption/Reimbursement from Stamp Duty	100% exemption/reimbursement from stamp duty for purchase or lease of land and building

**C. Access to Technology**

9	Assistance for Technology Acquisition	50% of the cost subject to maximum of Rs. 25 lakh for adopting technology from a recognized National Institute
10	Additional support to ZED scheme of GOI.	Reimbursement of 50% of expenses subject to maximum of Rs.5 lakh incurred on plant and machinery/ testing equipment for obtaining at least silver category status under ZED scheme.
11	Reimbursement of expenses incurred for Energy Audit/ Water Audit/ Safety Audit	75% subject to maximum of Rs. 2 lakh for energy audit and maximum of Rs. 1 lac each for water audit and Safety Audit
12	Assistance for Environmental Compliance	50% financial support subject to max of Rs. 25 lakh on capital cost for setting up of effluent treatment plant and for installation of Air Pollution Control Devices

**D. Access to Market**

13	Reimbursement of expenses incurred for patent registration	75% of the expenses subject to 10 lakh for domestic patent and 20 lakh for international patent
14	Additional Support for Performance and Credit Rating Scheme of Ministry of MSME	Reimbursement of 25% of the fee subject to maximum of 10 thousands
15	Reimbursement of expenses incurred on quality certifications	100% subject to maximum of Rs.10 lakh
16	Design Clinic Scheme	Reimbursement of the contribution of industries of Rs. 1 lac per program for design awareness program by National Institute of Design, Ahmedabad
17	Vendor Development Program	Assistance of INR 5 Cr to MSME Punjab for assisting the Industry in organizing Vendor Development Programmes, Buyer – Seller meets, Reverse Buyer-Seller meets.

18	Marketing Support	Assistance to MSME for showcasing their products at local, national and international event: (a). @50% of total rent limiting to ₹ 10 lakh for participation of minimum 5 units in Punjab Pavilion in International Trade Fairs abroad (b). @25% of total rent limiting to ₹ 3 lakh for Domestic Conferences and Trade Fairs. (c). Nil for Pavilion at Progressive Punjab Events and Conferences
19	Freight Assistance to Export Oriented Units	1% of FOB value or actual freight paid from the place of Manufacture to the place of shipment, whichever is less subject to maximum of Rs 20 Lac per annum
20	Annual State Awards to MSME, SC, Women and Exporters	Annual award of Rs. 3 lakh per unit for excellence in productivity, quality, export for each category of enterprise

#### 10.9. **Fiscal incentives for Large Units**

The State will provide following incentives to Large Units

SN	Nature of Incentive	Extent of incentive
1	Investment subsidy by way of reimbursement of net SGST on intra-state sales	75% of net SGST for 7 years with a cap of 100% of FCI.
2	Exemption from Electricity Duty	100% exemption for 7 years
3	Exemption/ reimbursement from Stamp Duty	100% exemption/ reimbursement from Stamp Duty for purchase or lease of land and building
4	Exemption from Property Tax	50% exemption for 7 years

#### 10.10. **Fiscal incentives for Units in Thrust Sectors**

10.10.1. The State will provide the following incentives to MSME and Large units in Thrust Sectors:

SN	Nature of Incentive	Extent of incentive for units in thrust sectors
1	Investment subsidy by way of reimbursement of net SGST on intra-state sales	100% of net SGST for 10 years with a cap of 125% of FCI.
2	Exemption from Electricity Duty	100% exemption for 10 years
3	Exemption/ reimbursement from Stamp Duty	100% exemption/ reimbursement from Stamp Duty on purchase or lease of land and building
4	Exemption from CLU/EDC	100% exemption from CLU/EDC
5	Exemption from Property Tax	100% exemption for 10 years

10.10.2. The other incentives provided to MSME units in general will also be available to MSME units in Thrust Sectors.

10.10.3. In addition, following sector specific special incentives for units in Thrust Sectors will be given:

<b>SN</b>	<b>Nature</b>	<b>Extent of Incentive</b>
<b>A. Food Processing Industries</b>		
1	Reimbursement of Market Fee, Rural Development Fee and other State taxes and fees on raw material for food processing industries	100% reimbursement of all taxes and fees paid for purchase of raw material for food processing units up to 10 years for all category of units
<b>B. Electronic System and Design Manufacturing</b>		
2	Additional support to units under M-SIPS scheme, DEITY, GOI	50% top up of Capex support provided by DEITY, GOI to units setting up in notified EMCs under M-SIPS of GoI. The support shall be provided to first 10 Anchor units limited to maximum INR 10 Cr. per unit
<b>C Apparel and Made ups and Technical Textiles</b>		
3	Additional support to units under Amended technology upgradation fund (A-TUF) scheme of GOI	5% interest subsidy for MSMEs for new/expansion/diversification in addition to benefits under ATUF for apparel and made ups and technical textiles for 3 years subject to a maximum of 10 lakh per year
<b>D IT/ITES</b>		
4	Capital Subsidy to IT/ITES units	50% of Fixed Capital Investment subject to ceiling of INR 2.5 Crores per unit
<b>E Tourism &amp; Hospitality</b>		
5	Exemption from Entertainment Tax	100% exemption from entertainment tax to all new investments in special theme parks/ amusement parks/water parks/adventure parks/ cinematic tourism like film institute/ film city/ film studio/ theatres/ mini-theatres etc

#### 10.11. Fiscal Incentives for Anchor Units

10.11.1. The State realizes the importance of Anchor units in creation of jobs and growth of a sector. Therefore, a customized package of incentives shall be offered to the Anchor investors in different sectors to suit particular investment requirements based on gestation period, pioneering nature, locational aspects, technology, potential to develop ancillary enterprises, project's importance to the State's industrial growth and its ability to generate employment.

10.11.2. The units meeting the following criteria will be treated as Anchor units

<b>Sectors</b>	<b>Minimum FCI (Rs in Crore)</b>	<b>AND Minimum Direct employment Generation</b>
IT/ITES	50	500
Apparel & Made ups		
Footwear & Accessories		
Electronics		
Food Processing Industries		
Any other Manufacturing Sector or Service Sector (as defined for large Industries)	200	1000

10.11.3. The State will give following special incentives to the Anchor Units apart from other fiscal and non-fiscal incentives, which the unit may be entitled to

<b>SN</b>	<b>Nature of incentive</b>	<b>Extent of incentive</b>
1	Investment subsidy by way of reimbursement of net SGST	100% reimbursement of net SGST for a period of 15 years subject to 200% of FCI in place of investment subsidy specified above for different categories of units.
2	Exemption from CLU/EDC	100% exemption from CLU/EDC charges
3	Employment Generation subsidy	Employment Generation subsidy @ Rs 30000 per employee per year for 5 years provided the employee is trained and certified by PSDM or any other State Government/Central Government Skill Development Scheme or State approved Institutions with total amount per year subject to maximum of 20% of the net (SGST+IGST) deposited by the unit in a year. The evidence for employment would be related statutory returns under EPFO/ESIC etc.

#### **10.12. Special incentives for 10 Early Bird Units in the new Industrial Parks approved by the State**

In order to encourage units to start production as early as possible, the State would provide following incentives in the new Industrial Parks approved by the State.

<b>SN</b>	<b>Nature of Incentive</b>	<b>Extent of incentive</b>
1	Investment subsidy by way of reimbursement of net SGST to the 5 Early Bird MSME units and 5 large units, which come into production in the new industrial parks approved by the State	100% reimbursement of net SGST for a period of 12 years subject to 125% of FCI in place of investment subsidy specified above for different categories of units.

#### **10.13. Support for Infrastructure Related Schemes**

<b>SN</b>	<b>Scheme</b>	<b>Extent of Support</b>
1	Additional State Support for Cluster Development Program (MSE-CDP)	The State will provide 20% share for each cluster and SPV will contribute only 10%. The State will also contribute 50% share of project cost exceeding Rs.15 crore and upto Rs. 20 crore for new proposal after the notification of IP 2017
2	State Mini Cluster Development Scheme	The State would provide 90% support with 10% by SPV for setting up Common Facility Centre (CFC) for project cost upto Rs. 2 Crore
3	Critical Industrial Infrastructure Development Scheme (CIIDS)	CIIDS would be introduced to provide adequate width of road connectivity with nearest State/National Highway, water and independent power feeder upto the periphery of industrial estates/ industrial areas/ and identified projects

4	Upgradation and maintenance of Industrial Estates	The State shall provide one time fund for upgradation of infrastructure in the existing Industrial Estates and provide for a dedicated revenue stream of 3% of Electricity Duty collected from the Industrial Estates to meet the upgradation and maintenance costs.
5	Setting up of Common Environment Infrastructure on PPP	The State may provide land for CETPs on lease and exemption from Electricity Duty on operations of the CETP.
6	Setting up of Land Acquisition Fund	The State would set up a land acquisition fund, which will act as a revolving fund to be utilized for acquiring land and would be replenished from the disposal of land.
6	Sector Specific Skill Development Centre	The State shall give a grant of maximum of Rs. 5 Crores per Cluster towards cost of the Building and Machinery & other training equipment for setting up Cluster specific skill centres in the identified MSME cluster.

#### **10.14. Reduction in Stamp Duty for industrial units on registered mortgage**

The State would reduce Stamp Duty from 4% to 1% for industrial units on registered mortgage.

#### **10.15. One Time Settlement (OTS) Policy for dues of PSIDC, PFC and PAIC**

The State would like to facilitate rehabilitation and revival of the existing industries financed by PSIDC, PFC and PAIC by way of Equity Investment and Term Loan Assistance by giving them one last opportunity to settle their dues with these institutions. A detailed OTS policy will accordingly be notified by the State.

#### **10.16. Special Relief package for Sick MSME Units**

10.16.1. RBI has laid down a comprehensive framework for revival and rehabilitation of Micro, Small & Medium Enterprises (MSME), which provides for restructuring of loan and other financial assistances availed by MSME units from the Banks. It provides for rescheduling of payments, grant of additional assistance, if required, allow sale of non-core assets of the business for the revival of the MSME units.

10.16.2. The State will take following action in this regard:

- (i). As per the provisions of this framework, a representative of the State Govt. is also required to be associated. General Manager of the District Industries Centre of the concerned district will be nominated as member of this Committee for preparation of Corrective Action Plan (CAP).
- (ii). In addition to the restructuring, being provided by the banks, the following relief & concessions will also be considered in the Corrective Action Plan for rehabilitation/revival of the MSME units:
  - (a). Deferment of recovery of arrears of Electricity Duty, Power Bills, House Tax and Water Charges for a period up to five years. The deferred dues will be repayable within a period of five years thereafter with interest at a specified rate.
  - (b). Exemption from payment of electricity duty by the unit in respect of energy consumed for a period of two years from the date of sanction of Rehabilitation Package.
  - (c). Exemption from power cuts to such units, to the extent possible, will be ensured.

- (d). Prompt permission of State Government to the sick units for the sale of surplus land.
- (e). Minimum charges for electricity connection would be exempted during the closure period.

#### **10.17. One Time Special Relief Package for Sick Large Units**

10.17.1. In order to revive the sick large units, the State will provide one time relief package for BIFR Registered/ Declared sick Units. The eligible sick units will submit their revival and rehabilitation plan taking into consideration the concessions and particularly highlighting the number of existing jobs and number of additional jobs likely to be created. The plan will be considered for approval by the State.

10.17.2. The one time relief package to Sick Large Units will consist of the following:

- (i). Deferment of recovery of arrears of Electricity Duty, Power Bills, House Tax and Water Charges for a period up to five years. The deferred dues will be repayable within a period of five years thereafter with interest at a specified rate.
- (ii). Exemption of payment of electricity duty by the unit in respect of energy consumed for a period of three years from the date of sanction of Rehabilitation Package.
- (iii). Reimbursement of 75% of net VAT/ net SGST for a period of 5 years for Border Districts and 50% of net VAT/net SGST for a period of 5 years for other districts.
- (iv). Exemption from power cuts to such units, to the extent possible, will be ensured.
- (v). Prompt permission of State Government to the sick units for the sale of surplus land.
- (vi). Minimum charges for electricity connection would be exempted during the closure period.

#### **10.18. Interest Waiver Scheme**

The State will notify a detailed scheme for Interest Waiver for settlement of outstanding loans under various State schemes:

- (i). This scheme will be applicable for loanees of Interest Free Loan under various Industrial Policies and Loanees under the Schemes of Seed margin Money, Punjab State Aid to Industries Act, 1935 and Integrated Rural development Programme.
- (ii). In case the entire outstanding Principal amount is deposited within 90 days from the notification of the Policy, then the interest amount shall be waived off. Recovery of interest amount of the Loanees, who have already deposited principal amount with interest or without interest, shall also be waived and their cases will be closed.

#### **10.19. Special Incentives for Extreme Border Zone**

10.19.1. The State would offer following special incentives for development of Extreme Border Zone (EBZ) of area falling within 30 Kms of International Border.

10.19.2. The following special incentives will be available for new units being set up in EBZ:

- (i). No CLU will be required in this Extreme Border Zone to set up Industry
- (ii). 100% exemption from EDC charges
- (iii). 75% exemptions of all the State duties, taxes and fees such as Rural Development Fee, Market Development Fee, State Excise Duty etc. to the first unit, which comes into operations in EBZ for each sector of manufacturing and service industry. If there are higher incentives available under any other section of the policy, then the same would also be available to these units.
- (iv). In addition to (iii) above, the first unit being set up will also be entitled to 40% additional FCI in the maximum limit prescribed for reimbursement of net SGST.

#### **10.20. Incentive for products not covered under GST regime**

The Products which are out of the purview of SGST/IGST/CGST in the GST regime and are still governed by VAT regime, shall be provided investment subsidy by way of reimbursement of net VAT paid for a period in place of net SGST. All other conditions such as maximum limit and time period etc. would be the same as laid down in this policy.

#### **10.21. Negative List of Industries**

No financial incentives under this policy shall be available for following industries:

- (i). Manufacturing/packing of alcoholic products including Distilleries, Breweries and Wineries
- (ii). Manufacturing of Tobacco products including Cigars, Cigarettes and Gutka
- (iii). Brick/Tile Kilns
- (iv). Vanaspati Ghee Mills
- (v). Rice Shellers
- (vi). For Border districts and Kandi Area, only (i), (ii) and (iii) above shall be treated as negative list of industry. Further, for Extreme Border Zone within 30 Kms of international border, only (ii) above shall be treated as negative list of industry.

#### **10.22. Sun Set Clause and Transition from FIIP(R) 2013**

##### **10.22.1. No New Application under FIIP(R) 2013 or any Earlier Policy**

No new application will be entertained under FIIP (R) 2013 or any other previous industrial policy after the notification of this policy.

##### **10.22.2. Migration of Units from FIIP(R) 2013**

- (i). Units which have applied to PBIP but have not availed any benefit of FIIP(R) 2013 and have not come into commercial production before the notification of this policy, shall have option to avail the benefit of this policy provided they exercise this option within 90 days of notification of this Policy.
- (ii). Units which have already obtained partial incentives under FIIP (R) 2013 but have not come into commercial production before the effective date of new policy, shall have the option to be considered under this policy within 90 days from the notification of this Policy provided they are otherwise eligible under this policy. The benefits already availed by such units under FIIP (R) 2013 will be refunded along with simple interest @ 12% per annum to the State within 90 days from the acceptance of their option by the State.

##### **10.22.3. SGST Incentive (in lieu of VAT) to the units, which are covered under FIIP (R) 2013**

The Units which have applied and/or opted for incentives under FIIP(R) 2013 and are found eligible for incentive of VAT shall be reimbursed net SGST deposited as per their eligibility under the relevant chapter of FIIP(R) 2013 read with the provision of clause 1.3.14 of FIIP(R) 2013 after introduction of GST w.e.f. 1st July 2017.

#### **10.23. Exclusions in the exemption from Electricity Duty and Stamp Duty**

- (i). Exemption from Electricity Duty shall exclude infrastructure development cess and any contributions made out of electricity duty levied, such as those deposited in the social security fund etc.
- (ii). Exemption/ reimbursement from Stamp Duty shall be available for payment of Stamp Duty as levied under Schedule 1-A of Indian Stamp Act. However, any other charges such as registration fee, infrastructure development cess, social security fee/cess etc. levied under Schedule 1-B and Schedule 1-C of the Act shall not be exempted.

## Chapter 11: Non-Fiscal Incentives

### 11.1. General Provision

The State would issue separate notifications in line with the provisions of the policy regarding various non-fiscal incentives. The notification would inter-alia lay down in detail, eligibility criteria, terms and conditions, amongst other relevant modalities for availing the incentives. In case of any conflict or contradiction in the provisions contained in the policy and notification issued in this regard, the provisions of notification shall prevail for all intent and purposes.

### 11.2. Department of Housing and Urban Development

#### 11.2.1. Exemption from the Provisions of PAPRA

All Industrial Parks including Textile, Food, IT, Electronics etc. approved by the State or Central Government shall be exempted from the provisions of Punjab Apartment and Property Regulation Act (PAPRA) 1995, in accordance with the powers vested with the State Government under Section 44 of the Act subject to condition the conditions that Section 5(11) and Section 32 shall remain applicable.

#### 11.2.2. Apparel and Made-ups Sector

Zoning regulations of industrial areas will be liberalized to provide units in apparel and made-ups sector higher FAR.

#### 11.2.3. IT/ITES/Knowledge Industry units

Following relaxation will be provided to IT/ITES service industry units

- (i). 40% of mechanical parking is allowed. Podiums/ multistory podium with tower if used for parking shall be exempted from floor area ratio.
- (ii). Units will have permissible FAR of 1:3 of gross area of the project.
- (iii). The Equated Car Space (ECS) shall be 1 per 100 sqm of covered area upto 2 acre plot and 2 per 100 sqm of covered area for plot greater than 2 acres.
- (iv). 5% of total built up area under industrial use shall be permissible for residential use of the Staff.

#### 11.2.4. IT/ITES/Knowledge Parks

- (i). Minimum area required for plotted Park will be 5 Acres for the Parks being setup within Municipal limits and 10 Acres outside Municipal limits subject to provisions of the relevant Master Plan. The Park will be allowed maximum of 10% commercial, 20% residential component and remaining 70% for IT/ITES/Knowledge Industry.
- (ii). In case of built-up Park, the minimum area required will be 1.5 Acre and minimum investment required in case of such Parks should be Rs 10 Crores. The built up park will be allowed maximum 30% mixed use area and minimum 70% area for IT/ITES/Knowledge units.

#### 11.2.5. Tourism Sector

- (i). Heritage hotels situated on narrow roads in urban areas which arrange for a dedicated alternative parking on a 40/60 feet wide road and provide for the park and ride system from hotel to parking place, shall be permitted to operate. Similarly heritage hotels situated on narrow roads in Rural and Panchayat/Rural Areas will be permitted to operate. The same shall be applicable for existing heritage buildings proposed to be used as Heritage hotels
- (ii). The State will declare Old City area in prominent cities like Amritsar, Ludhiana, Jalandhar, Patiala etc. where area is not available for parking vehicles. Hotel constructions which are of 20 years or above shall be exempted from parking places. The State will provide dedicated

alternative parking and park and ride system from hotel to parking place and a congestion charge can be levied on all such hotels.

#### **11.2.6. Retail Service Industry**

The State will review norms for infrastructure development for Retail and work towards providing following:

- (i). The retail projects will be allowed FAR of 1:3 in the state.
- (ii). The retail projects will be allowed higher ground coverage up to 70%.
- (iii). The retail project will be allowed to set up the Recreation Ground (RG) area for the customers.
- (iv). The retail project will be allowed larger number of car parks in retail development without FAR implications.
- (v). The restriction on building heights will be relaxed subject to air safety norms.

#### **11.2.7. Exemption from PAPRA and Grant of CLU for Anchor projects**

- (i). Anchor projects under the Policy shall be exempted from the provisions of Punjab Apartment and Property Regulation Act, 1995 subject to section 5(11) and section 32 shall remain applicable.
- (ii). Anchor projects under the Policy shall be allowed CLU in Agriculture Zone in the approved master plan and Non-Plan areas provided minimum land area for the project is 50 Acre.

#### **11.2.8. Shifting of Industries from residential areas or other non-conforming zones**

A large number of industrial units are currently operating in the areas earmarked for residential usage or other non-conforming zones as per approved Master Plan and they were required to shift their units within stipulated time limit from such areas. The State will encourage these units to move to the approved industrial zones/industrial estates by providing following:

- (i). The existing site will be allowed for permissible usage as per master plan without any CLU charges
- (ii). Shifting of electricity connection without any additional charges.
- (iii). Shifting of municipal services without any additional charges.
- (iv). No CLU, EDC or License Fee on the new industrial site
- (v). After shifting to new location, type of such industry may change

#### **11.3. Department of Labour**

11.3.1. The State will allow women employees to work in night shifts subject to the employer providing the necessary security and other requisite arrangements for its women employees.

11.3.2. The State would allow permission to the companies to have 24\*7 operations to run in three shifts, subject to approved precautionary measures taken to ensure the safety of employees, particularly women.

11.3.3. In order to promote the retail industry in Punjab, and generate employment opportunities for local youth, the State will provide following relaxation:

- (i). Retail enterprises shall be allowed to stay open 365 days a year provided employees are given compulsory weekly offs without any deduction of benefits
- (ii). Retail enterprises and warehouses shall be allowed to stay open 24\*7 in 3 shifts
- (iii). Women employees shall be allowed to work in night shifts till 11 pm provided the employer provides necessary security and arranges to ensure women employees reach home safe.

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**11.4. Department of Science and Technology/Punjab Pollution Control Board**

- (i). Punjab Pollution Control Board will give exemption from Grant of Consent to Establish/Consent to Operate for Green category Industries.
- (ii). Punjab Pollution Control Board will allow Auto- Renewal of Consent to Establish and enhancement of validity period.
- (iii). Punjab Pollution Control Board will treat cutting and sorting as Green Industry.
- (iv). IT Industry will be given exemption from clearance from PPCB

The eligible unit will not require any NOC/ Clearance from Punjab Pollution Control Board (PPCB) for release of electricity connection from Punjab State Power Corporation Limited (PSPCL). In case Diesel Gen-Sets are installed in the project, the requisite NOC for the same shall be required to be obtained by the unit from PPCB

- 11.4.2. Exemption from SAC Clearance to units set up in all the Industrial Parks including textile, food, leather, mixed Industrial Focal Points, Industrial estates and Industrial growth centres approved by the State or Central Government.

**11.5. Department of Transport**

The State would grant exemption from motor vehicle tax on buses plied by the Industry for its employees.

**11.6. Department of Food and Civil Supplies**

In order to promote retail service industry in the State, the following will be provided:

- (i) Food and Grocery business retail (only perishable goods) shall be included under “Essential Services”.
- (ii) Stocking limits for essential commodities under Essential Commodities Act will be reviewed for retail enterprises.

**11.7. Department of Industries & Commerce/Punjab Small Industries & Export Corporation**

- (i) Duly identified MSME service activities shall be permitted in the zoning regulations of industrial parks and estates.
- (ii) Zoning regulations will be liberalized to provide for flatted factories.

**Chapter 12: Stakeholder Engagement and Policy Implementation Unit**
**12.1. Stakeholder Engagement**

- 12.1.1. Industrial growth and development requires engagement with a very diverse set of stakeholders. The Stakeholder engagement will be a key essential for the success of the Policy. Following are the key Stakeholders in the implementation of the Policy:

- (i). Various State Government Departments
- (ii). Various Central Government Departments
- (iii). Key Industry leaders from the State and outside
- (iv). Industry Associations at National, State and District level
- (v). Private Sector Players in Infrastructure, Skills, Research, Technology etc.
- (vi). Reputed Government or other Institutions in any area of Industrial Development
- (vii). Academic Institutions
- (viii). Development Agencies
- (ix). Civil Society

12.1.2. The State will involve various stakeholders in the roll out and implementation of the policy in the following manner:

- (i). Updating all the stakeholders about the policy provisions, operational guidelines and amendments from time to time
- (ii). Updating all the stakeholders about the progress on implementation
- (iii). Involve key stakeholders in the apex review and monitoring mechanism
- (iv). Involve key stakeholders at the district in the district level review and monitoring mechanism
- (v). Specific Partnerships on various initiatives and events
- (vi). Specific Partnerships on projects

12.1.3. The State will prepare a detailed Stakeholder engagement plan identifying the key stakeholders and their involvement in achieving the objectives of the policy.

## 12.2. **Strategic Plan and Performance Indicators**

The State has prepared a strategic plan and performance indicators in line with the vision, mission and goals of the Policy. The Plan and performance indicators will be finalized within three months of notification of the policy and will be duly notified. The plan will create a baseline for measurement of performance for the implementation of the Policy.

## 12.3. **Policy Implementation Unit**

The State realizes the importance of effective implementation of this policy, and therefore, shall setup a Policy Implementation Unit (PIU) cutting across all the strategic pillars and sector specific activities. The key activities of PIU shall be:

- (i). To create awareness about the policy amongst the stakeholders
- (ii). To prepare a detailed policy implementation plan with clearly defined timelines and responsibilities for each of the strategic pillar:
  - (a). Infrastructure
  - (b). Power
  - (c). MSME
  - (d). Startup and Entrepreneurship
  - (e). Skill Development
  - (f). Ease of Doing Business
  - (g). Fiscal and Non-Fiscal Incentives
  - (h). Stakeholder Engagement
- (iii). To prepare a detailed policy implementation plan with clearly defined timelines and responsibilities for sector specific strategies for various manufacturing and service industry sectors.
- (iv). To prepare a detailed policy implementation plan with clearly defined timelines and responsibilities for availing assistance under various Central Government schemes for infrastructure as well unit level assistance from various Ministries such as MSME, DIPP, MEITY, MoFPI etc.
- (v). To assist the State in restructuring institutional support for the implementation of the policy and build capacity of the institutions for investment promotion and industrial development.
- (vi). To prepare concept note, pre-feasibility and other relevant reports for implementation of the policy.
- (vii). To assist the State in selection of various project specific agencies for implementation, wherever required.

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- (viii). To assist in weekly, monthly, quarterly and yearly review of the implementation of the policy as per the governance mechanism
  - (ix). Develop a comprehensive dashboard to track policy implementation
  - (x). To assist in review of various policy areas in view of the best practices at national and international level.
  - (xi). To carry out impact analysis of the Policy on economic growth, job creation and other important economic indicators in order to maximise results of public investments of Govt. of Punjab for industrial and business development in the State and make forecasts for resources required.
- 12.3.2. The PIU will be established under the aegis of the Department of Industries and Commerce and will be located in Udyog Bhawan. PIU will be supported by Knowledge Partners, Experts and Professional Consultants as may be required for smooth implementation of the Policy.
- 12.4. Governance Mechanism for Implementation of the Policy**
- 12.4.1. Punjab Industrial and Business Development Board**
- (i). The State will constitute the Punjab Industrial and Business Development Board under the Chairmanship of Chief Minister and comprising of other Ministers, Chief Secretary and Administrative Secretaries of relevant departments.
  - (ii). The Board will be empowered to take all the necessary decisions for the smooth implementation of the policy including but not limited
    - (a). To interpret and relax any provision of the Policy
    - (b). To frame, amend, relax, interpret any guidelines or schemes under the Policy
    - (c). To review the progress of initiatives under various strategic pillars of the Policy namely Infrastructure, Power, MSME, Startup, Skill Development, Ease of Doing Business, Fiscal and non-Fiscal incentives by different departments and agencies and give suitable directions towards achieving the vision, mission, goals and objectives envisaged in the policy.
    - (d). To review various measures for enhancing ease of doing business in the State and particularly ensure setting up of BusinessFirst portal for providing online services to the businesses in the State and issue necessary directions to the departments and agencies.
    - (e). To review the performance of departments and agencies in availing and utilising grants from Central Government under various schemes and programs and resolve difficulties, if any.
    - (f). Approval and sanction, on behalf of the Government, of any fiscal incentives or other benefits to an investment proposal or project, falling outside the policies of the Government of Punjab by way of amendment of, addition to, exception to such policy; including relaxation of rules and regulations and provisions of legal, institutional and financial dispensation, as may be the case.
    - (g). No formal examination of proposals put up to the Board will be necessary either in the Administrative Department or in the Finance Department and decisions of the Board would be conveyed to the concerned department.
  - (h). All decisions taken by the Board shall be considered directives of the government.
  - (i). Without prejudice to the above, to generally take up any other issue related with industrial

development and economic growth of the State and issue necessary guidelines and directions.

- (iii). The Board will further have a committee on “Revival of Industry and Fiscal Incentives” under the Chairman of the Board and comprising of such other members as may be notified in this regard to consider and approve proposals for revival of industry and fiscal incentives as may be required to be approved by the Board.

#### **12.4.2. Executive Committee**

- (i). The State will constitute an Executive Committee under the Chairmanship of Chief Secretary and comprising of relevant Administrative Secretaries.
- (ii). The Executive Committee will discharge the following functions:
  - (a). To review the progress of implementation of the policy and follow up on the decisions taken by the Board
  - (b). To review and resolve the inter-departmental issues
  - (c). To review the progress of various initiatives for Ease of Doing Business
  - (d). To review the progress of issues pending with Central Government and utilization of funds under various schemes of Central Government and resolving issues if any.
  - (e). To discharge any other function or power, which may be assigned by the Board

#### **12.4.3. Sectoral Committees**

- (i). Sectoral Committees under Administrative Secretary, Industries & Commerce and comprising of concerned HODs/Heads of relevant implementing/Executing agencies.
- (ii). The Sectoral Committees will review and follow up on the decisions of Implementation Council and Steering Committee and resolve operational problems in the implementation of the Policy:
  - (a). Infrastructure & Power
  - (b). MSMEs, Startup & Skills
  - (c). Ease of Doing Business, Fiscal and non-Fiscal incentives
  - (d). Sectoral roadmaps for manufacturing and service sector

12.4.4. The PIU will support these committees in proper review, issue resolution and expeditious implementation of the policy.

### **Chapter 13: Sector Specific Strategies**

#### **13.1. Focus on traditional strength as well as emerging sectors**

The State has strong presence in many sectors and the policy aims to consolidate and provide further impetus to these sectors for growth. The State would in due course devise product country specific strategies and district specific strategies also for encouraging specific industry sectors. Apart from focusing on the State’s traditional strength, the State would focus on some of the emerging manufacturing and service industry sectors, which have potential for the State.

#### **13.2. Manufacturing**

Punjab is one of the prominent manufacturing states in the country with focus on various industries such as bicycle and bicycle parts, automotive components, light engineering, textiles etc. Manufacturing sector has witnessed an increasing share of GSDP. Punjab is rapidly developing into a key light engineering hub with Ludhiana, Jalandhar, Patiala, Sangrur, Moga, Hoshiarpur, and SAS Nagar (Mohali) districts being host to thousands of light engineering companies. The State would focus on following manufacturing sectors and a broad strategy has been in annexure-A:

- (i). Textile and Apparel
- (ii). Bicycle and Bicycle Parts
- (iii). Automobiles and Auto components
- (iv). Light Engineering
- (v). Leather and Sports Goods
- (vi). Petro-Chemicals
- (vii). Secondary Steel
- (viii). NRSE Equipments
- (ix). Agri and Food Processing
- (x). Electronics
- (xi). Biotechnology & Pharmaceuticals
- (xii). Aerospace and Defence

### 13.3. Services

The tertiary sector has been the fastest growing and largest contributor to Punjab's economy, contributing 50.36% to the state's GSDP. Service Industries Sector has shown great potential and has become an engine of economic growth. The State will focus on following sectors for growth in services sector and a broad strategy has been given in annexure-B:

- (i). IT and ITES
- (ii). Life Sciences
- (iii). Logistics
- (iv). Tourism and Hospitality
- (v). Entertainment and Film Industry
- (vi). Healthcare
- (vii). Education Services
- (viii). Retail
- (ix). Reality

### **Annexure – A: Sectoral Strategies for Manufacturing Industries**

These are initial broad based strategies for development of various manufacturing sectors and would evolve during the course of implementation of the Policy. A detailed sectoral policy/action plan would be prepared for each sector to accelerate its growth and generate entrepreneurial opportunities and quality jobs.

#### **1. Textiles & Apparel**

##### **1.1. Punjab - A leading hub**

Punjab has emerged as the leading hub for textile-based industries such as apparel manufacturing, spinning and hosiery exports with Ludhiana being the biggest manufacturing cluster for textiles in North India. With 95% of India's Woolen Knitwear production, 85% of India's sewing machine production, 75% of India's sports goods production, Punjab is a key contributor in this sector. The state has emerged to be the second largest cotton and blended yarn producer in the country. Availability of rich resource base and a robust spinning capacity makes Punjab ideal destination for Textile industry.

**1.2. Focus on Garmenting and Scale**

Garmenting is one of the labour intensive industry and the State would focus on promoting garmenting industry. This sector employs large number of women. The garmenting industry has huge export potential. The Industry however needs to achieve greater scale so that the industry could compete globally.

**1.3. Focus on High Fashion**

The structure of the apparel and textiles industry in the country today is more tilted towards production and less towards design. All the haute couture design houses are based in France, Italy, UK and USA. To breach this final frontier of the top end of the value chain, it is necessary to develop competence in high fashion design in apparel and textiles.

**1.4. Upgrading NIIFT as Centre of Excellence for High Fashion Garments and Textiles**

The State would support the Industry by upgrading Northern India Institute of Fashion Technology (NIIFT), Ludhiana as Centre of Excellence for garmenting and high fashion, which will work closely with the Industry to support them. NIIFT will undertake studies in identifying areas of opportunity and gaps in the value chain and to address these challenges. It will identify areas of export competitiveness and will disseminate knowledge and information in the relevant areas to industry by undertaking appropriate research. NIIFT will also function as an incubation centre for entrepreneurs.

**1.5. Common Effluent Treatment Plants**

Government shall facilitate setting up of at least one Common Effluent Treatment Plant at each of the focal points with high effluent releasing industries. Further, Government shall facilitate setting up of 3 CETPs for the Dyeing industry in Ludhiana.

**1.6. Higher FAR**

Higher FAR will be provided to garmenting units.

**1.7. Traditional Handicrafts**

Traditional Handicrafts such as Phulkari, Panja Durris, etc. in Punjab, provide livelihoods to some of the weakest sections of the society. Such traditional handicrafts provide an important connect with the cultural past of the region. The State would support the traditional handicrafts in their branding and marketing, designing and exhibition and other necessary support.

**1.8. Women Employees to be allowed in night shift**

Textile industry is a large employer of women with around 45% of the total employment being provided to women. To further promote women employment, the State will allow women to work in night shifts. These provisions shall be subject to the employer providing the necessary security to its women employees.

**1.9. Exemption from motor vehicle tax on Buses**

The State would grant exemption from motor vehicle tax on buses plied by the Industry for its employees.

**2. Bicycle and Bicycle Parts****2.1. Punjab - The largest manufacturer**

Punjab accounts for 92% of India's production of bicycle parts and 75% of bicycle production of India. Ludhiana in Punjab is the hub for bicycle manufacturing in India popularly known as the 'Bicycle capital of India'. With more than 50,000 cycles being manufactured every day and some 4,000 MSME's in the city, the bicycle components industry provides employment to approximately 5 lac people in Ludhiana.

**2.2. Modernization and upgradation of Bicycle Parts Industry**

Innovation and use of latest technology is critical to this sector to cater to the emerging demands and trends in the industry. The State would create design and development facilities to help the small and

medium enterprises to achieve the scale, quality and better design of their operations and finished products to be globally competitive. The State will support the modernization of the Bicycle Parts Industry and to make it hi-tech.

### **2.3. Hi-Tech Cycle Valley, Ludhiana**

The State has taken the initiative to develop new Industrial Park for promotion of hi-tech Cycle Industry. The new Hi-tech Cycle valley at Ludhiana will provide state of the art infrastructure, common facilities for effluent treatment, design facilities, convention and exhibition centre, warehousing and logistic services amongst other facilities.

### **2.4. Technology Centre for Bicycle and Bicycle Parts Industry**

In order to increase the competitiveness of the bicycle industry, the State will upgrade the existing Institute of Bicycle and Bicycle Parts as Technology Centre for Bicycle & Bicycle parts in collaboration with leading international experts. The State would tie up with National level reputed organizations to enhance the design and development facilities at the Centre.

### **2.5. Shifting of industries from Residential areas of master plan**

A large number of MSME units are currently operating in the area earmarked for residential usage as per approved Master Plan. It creates a sense of uncertainty for these units and limits their future expansion. The State will encourage these units to move to the newly developed Hi-Tech Cycle Valley by providing the following:

- (i). The existing site will be allowed for permissible usage as per master plan without any CLU charges
- (ii). Shifting of electricity connection without any additional charges
- (iii). Shifting of municipal services without any additional charges.
- (iv). No CLU, EDC or License Fee on the new industrial site
- (v). After shifting to new location, type of such industry may change

### **2.6. Shifting of Electroplating units to flatted factories**

The Electroplating units don't require much area and can be carried out on higher floors of a building as well. The State would allow these units to go vertical and move into flatted factories.

## **3. Auto and Auto component**

### **3.1. Punjab – Significant Presence of Ancillary units**

The State has significant presence of ancillary units in auto and auto components, which are supplying to various OEMs in the country and abroad.

### **3.2. Need of an Anchor Unit**

The State would make serious endeavours to bring an anchor unit in Automobile, which will provide a great boost to this sector. The State will provide special incentives for attracting Hybrid and Electric Vehicle manufacturers in the state as anchor unit.

### **3.3. Dedicated Park for Automobile Manufacturing**

The State will set up an Automobile manufacturing park, preferable alongside the AKIC with all the requisite infrastructure facilities including uninterrupted power, water supply and telecommunications and logistics. Facilities for training in high technology in auto-components will be set up in this Park and ITIs around this Park will be oriented for automotive sector.

**3.4. e-Car manufacturing**

The State will encourage e-Car manufacturing and will set up the facilities in the Automobile Park to be developed as part of AKIC. Diversification in Electric Vehicles and specially incentivized R&D facilities will be set up for this segment.

**3.5. Modernization and upgradation**

The State will promote new and advanced machinery for automation such as CNC, VMC, 5-axis machines, automatic hammers, casting lines. MSME units will be provided support for machinery upgradation and specifically lower rates of interest.

**3.6. Incentivizing the Casting and Forging industry**

The State Government shall maximize the setup of the Casting and Forging units in the State and provide them Common Facility Centres so that small units can benefit with advance technologies in these fields.

**3.7. Upgradation of Technology Centre for Auto parts and Hand tools**

The existing Institute of Auto parts and Hand tools, Ludhiana will be upgraded with latest machinery and expertise to provide the requisite technology support to the industry particularly MSME to help them compete globally and grow. It will also build facility for advance skill training on design and IT support required for auto sector.

**4. Light Engineering Sector****4.1. Punjab – A Key Engineering Hub**

Punjab is rapidly developing into a key light engineering hub with Ludhiana, Jalandhar, Patiala, Sangrur, Moga, Hoshiarpur, and SAS Nagar (Mohali) districts being host to thousands of light engineering companies.

**4.2. New Industrial Estate for Light Engineering**

Light Engineering is an important sector for the State and the State is developing a new Industrial Estate at Nabha for light engineering.

**4.3. Development of Supply Clusters around RCF, Kapurthala and DMW, Patiala**

The State would develop supply clusters around Rail Coach Factory, Kapurthala and DMW, Patiala.

**4.4. Focus on manufacturing of Agriculture Implement**

The State would strengthen Agriculture Implement manufacturing in the State.

**4.5. Development of Greenfield Light Engineering Cluster**

- (i). The State would develop a Light Engineering Park along the Eastern Dedicated Freight Corridor and the Amritsar Kolkata Industrial Corridor exploiting the investment and industrial opportunities being offered by these corridors.
- (ii). The Park would have all the requisite industrial and allied infrastructure and keeping in view its proximity to logistic hub, the State will invite anchor units for setting up their base in the park.

**4.6. Technology Centre**

In order to provide for technology support for product design, innovation, testing and certifications, advance skilling, a Technology Centre would be set up particularly for the following two sectors:

- (i). Agricultural implements
- (ii). Precision engineering

**5. Leather****5.1. Leather Apparel and Footwear Park**

The State would set up a Leather Apparel Park close to upcoming Footwear Design and Development Institute with all the requisite infrastructure facilities. The footwear Park shall comprise of a design centre and training facilities. A high technology environment-friendly Leather Processing Complex of international standards shall be set up in close vicinity of the park. The assistance under the MSME CDP/ ILDP scheme will be availed.

**5.2. Setting up FDDI Skill Centre in Leather Cluster in Jalandhar**

The main leather cluster is located in Jalandhar. The State in collaboration with Central Government would set up one satellite skill centre of FDDI in Jalandhar.

**5.3. Strengthening Linkages**

The State shall strengthen linkages with Central Leather Research Institute, Chennai having a center in Jalandhar. The State will also attract upstream industrial units using leather as raw material.

**5.4. Environment protection infrastructure**

Since industry has to observe stringent environmental regulations, an industry monitored SPV should be established in Jalandhar focal point to ensure proper functioning of the Common Effluent Treatment Plant in the leather sector.

**6. Sport goods****6.1. Jalandhar – A hub for sport goods**

Jalandhar is one of the big hubs for manufacturing of sport goods in the State.

**6.2. Setting up of Technology Centre for Sports Goods Centre**

The State will set up a Technology Centre for provide technology support including certification and testing centre for the Sports Goods in the Jalandhar cluster.

**6.3. Sports Good Park**

The State will set up a Sport Goods Park at Jalandhar with best-in-class infrastructure. A common technical research centre and testing facility shall be developed inside the park to ensure ease of access to latest quality testing and certifications

**7. Petrochemicals and Fertilizers****7.1. Development of PCPIR region**

To build and develop downstream industries around Bhatinda Oil Refinery, the State would notify PCPIR region in Bathinda district.

**7.2. Plastic Park**

The State will set up a Plastic parks in the State with all the requisite infrastructure facilities. The State would invite poly-propene manufacturers to set up their base in these Parks. Keeping in view demand, a Plastic Park is proposed to be set up at Hi-tech cycle valley, Ludhiana and other locations.

**7.3. Technical Textiles Park**

Punjab has enormous scope for technical textile for various applications. Technical textile are used in various sectors such Agriculture, Geological, Automobile/Industrial, Medical, Construction, Clothing etc. Input raw material for the manufacturing of technical textiles are synthetic that is derived from petroleum products, which are available from Bathinda refinery. The State would set up a Technical Textile Park and explore international partnerships for technology sourcing and joint ventures.

**8. Secondary Steel****8.1. Mandi Gobindgarh – One of oldest industrial clusters for secondary steel**

Mandi Gobindgarh, is one of the oldest industrial clusters for secondary steel in the State and has excellent ecosystem for development of secondary steel industry.

**8.2. Shredder Plan for automobiles**

The State would offer to set up a shredder plant for obsolete automobiles in Gobindgarh Steel cluster, which can cater to entire north.

**8.3. Strengthening National Institute of Secondary Steel Technology, Gobindgarh**

The State would take up with Central Government to refurbishing National Institute Secondary Steel Technology, Gobindgarh which was established to guide the sector, tend consultancy service to the industry, provide research & development and to undertake such projects for the industry, to provide technology outputs, act as a depository of all relevant information and knowledge and most importantly to provide an interface among the industry and educational/research institutes in secondary steel technology and re-rolling industry.

**9. NRSE Equipment manufacturing****9.1. A High Potential Future**

Keeping in view huge potential for New and Renewable Sources of Energy, the State will build a competitive NRSE manufacturing facility that can help develop the solar/ biomass/ small hydro etc. energy eco-system and support job creation in the State.

**9.2. Integrated NRSE Manufacturing Park**

The State shall set up an integrated NRSE manufacturing park which shall house the entire ecosystem for solar manufacturing including wafer, cell and module making, and Balance of System (BoS) component manufacturing.

**9.3. Designing and Testing Hub**

The State will set up a Designing Hub and Testing facilities in collaboration with the Government of India and reputed organizations like IIT Ropar, etc.

**9.4. Targeted Skill Development**

Sardar Swaran Singh National Institute of Bio-Energy in Kapurthala shall be developed into a model Skilling Centre for NRSE related courses. It shall further cater to other smaller centres across Punjab.

**10. Agri business and Food Processing****10.1. Punjab – An aspiring global leader**

The State envisages next five years for Punjab to become a destination for food processing industry and global leader in export of value added agri-produce. The State would focus on new drivers of growth including Agro marketing reforms, development of agri-infrastructure, mega food parks, R&D in agro and food processing. The State would give due emphasis on back-end and forward linkages, registration of more FPOs and conducive business climate.

**10.2. Agri Business Promotion Facility (ABPF)**

The State would set up Agri Business Promotion Facility (ABPF) through a professional agency. The agency will provide project development support to the private sector entrepreneurs in leveraging assistance available under various Schemes like Cold Chain, KISAN SAMPADA YOJNA, Agro Clusters etc. of Ministry of Food Processing Industries, Government of India.

**10.3. Agricultural Marketing reforms**

The State would amend the State's APMC Act in line with the model act suggested by the Central Government. Suitable provisions will be made for E-trading under E-NAM, alternate market access to buyers and sellers, single trader license for the entire state and other measures.

**10.4. Development of Agri Infrastructure and Food Parks in the State**

- 10.4.1. Under Mega Food Park scheme of Ministry of Food Processing, 3 Mega Food parks have been approved in Punjab i.e. Punjab Agro Industries Corporation, Ludhiana; Mega Food Park, International Mega Food Park Ltd., Fazilka; Sukhjit Mega Food Park and Infra Ltd., Kapurthala. Food Incubation Centre including Food Testing Centre is being set-up at Ladhawal Mega Food Park.
- 10.4.2. The State would further develop commodity based cluster development. The government will facilitate setting up of new Food Parks keeping in view agri produce in different districts with special focus on food processing industries in south west Punjab for water availability and Amritsar having international airport.
- 10.4.3. The State has set up 10 cold chain projects under GOI scheme for cold chain and 8 of them have already been completed. Farmer would be provided facilities at farm gate.
- 10.4.4. The cutting and sorting to be treated as Green Industry. The State would also set up an institute to provide expertise and technical assistance for grading and sorting.

**10.5. Special Provision of Farm Producers Organizations (FPO)**

- 10.5.1. Farmer Producers Organizations (FPO) sponsored by the Horticultural Department, Agricultural, Dairy and Animal Husbandry Department, either aggregating or selling the produce of their own members can be exempted from License for selling their agricultural produce.
- 10.5.2. Punjab State Agricultural Marketing Board (PSAMB) may exempt the FPOs aggregating and selling the produce of their members from the provisions of licensing. They are free to aggregate and sell their produce without any intermediary.
- 10.5.3. Fruits and Vegetables shall not require any license or permission to market, and will not be regulated by Market committee

**10.6. Value addition from Agro-waste**

- 10.6.1. Stubble burning is a big issue faced by pollution control board and the state every season and every year. The State Government wants to ensure that its support is available only to those agro and food processing units which comply with the existing laws on pollution and other environmental safeguards. The support will also be given to those units processing crop residue to add value. This will help in reducing environmental hazards due to crop residue burning in fields, reduction in carbon emission and increasing farmers' earnings.
- 10.6.2. Enterprises specializing in use of agro-waste converting it into manure or bio- energy or any other usable form eager to set-up base in Punjab would be provided the same incentives as provided to food processing units being set-up in Punjab under this policy

**10.7. Export Promotion**

Air-Cargo hub i.e. Permanent perishable cargo export center to be revived and upgraded in Amritsar. New cargo export center at Mohali is in the process to be established.

**10.8. Meat Processing and Poultry**

- 10.8.1. Meat Production is one of the important industries and India is set to become world's largest meat exporter. The demand for Indian buffalo meat is increasing continuously because of its lean character

and near-organic nature. The domestic poultry industry is the fastest growing segment with a compound growth rate of 15%. Being the most popular meat in India, poultry meat has been receiving significant boost through investments.

- 10.8.2. For processed meat and poultry industry, the demand- drivers are hygiene, quality and food safety. However, significant investment is required to achieve high standards. Rising per capita consumption in domestic market and increase in global demand open us new opportunities to Indian meat, fisheries and poultry industry to adopt modern technologies in production, preservation, processing, value addition and consumer packaging, apart from more investments in this sector.
- 10.9. The State has significant potential for meat production and the State would facilitate this sector in a focused manner.

#### **10.10. Setting up of the State of Art Abattoir-cum-Meat Processing Plants**

- 10.10.1. The State would facilitate establishment of latest state-of-the-art abattoirs-cum-meat processing plants. These plants are environment friendly, where all the slaughterhouse by products are utilized in production of meat-cum-bone meal, Tallow, bone chips etc. Appropriate technologies are adopted to obtain value added products. These plants have effluent treatment devices which treat all the washings of abattoirs, lairage etc. to safe water discharge.
- 10.10.2. A production base around each modern abattoir would be established to produce quality disease-free animals as per the sanitary and phytosanitary (SPS) requirements.

#### **10.11. Setting up of an Industrial Estate for wood based industry**

- 10.11.1. To boost Agro Forestry in the State, an Industrial Estate/Park shall be set up for new units for wood based industry keeping in view amendment issued by MoEF vide notification dated 11.9.2017. This will ensure diversification in the field of Agriculture and will help farmers to come out of Rice Wheat Cycle.

### **11. Electronics**

Please refer to IT & ITES section under Service Industry Section in Annexure-B

### **12. Lifesciences & Biotechnology**

#### **12.1. Punjab – Offering an all-inclusive ecosystem**

With specialized infrastructure for the Life sciences industry, ample presence of bio-resources and the existence of a full-fledged bio-based industry, Punjab has distinctively developed an all-inclusive ecosystem and is well poised to become the Life sciences hub of North India. Also known as the ‘Food Bowl of India’, Punjab exhibits huge potential for growth in the Bio-agri sector in the State.

#### **12.2. Knowledge City, SAS Nagar**

- 12.2.1. Knowledge City is the first state-of-the-art innovation cluster in Punjab, spread over approximately 400 acres. It also comprises India’s first Agri-Food Biotech Cluster with NABI at the centre of it. A joint venture of Govt. of Punjab and Department of Biotechnology, Govt. of India, it is the first of its kind in the country.
- 12.2.2. The cluster encompasses institutional zone comprising National Agri-Food Biotechnology Institute (NABI), Innovation Zone comprising Centre of Innovative & Applied Bioprocessing (CIAB) and Punjab Biotechnology Incubator (PBTI) and Industrial Zone comprising Mohali Biotechnology Park.
- 12.2.3. **NABI** has been set up with focused mandate of transforming Agri-food sector through translational research and providing partnerships for product development and commercialization.

12.2.4. **CIAB** is aimed at translational testing, scale-up and process optimization to support start-ups as well as established enterprises.

12.2.5. Knowledge city has all key elements of a healthy Lifesciences ecosystem: from availability of human resources, R&D facilities and analytical support; to providing a platform for innovation, incubation, commercialization and outreach/IPR support.

### 12.3. **Upcoming Lifesciences & Biotechnology Park in SAS Nagar**

The Mohali Biotechnology Park is being set up on over 80 acres of land in Knowledge City to promote the Life sciences industry. It will be developed having the following facilities:

- (i). Manufacturing facility upto orange category
- (ii). R&D centre: The State Government shall develop plug-and-play Lab space upto 5,000 sq. ft., to be leased to companies
- (iii). Incubation centre
- (iv). Skill development and training centre
- (v). Provision for housing will be exclusively for executives and workers of the industrial units housed in the mega life science park
- (vi). A national/ international level biotech company as anchor unit

### 12.3.2. **Upcoming Punjab Biotechnology Incubator**

PBTI aims to provide incubation services to entrepreneurs / enterprises in Agri & Food sector to enable them to translate their research ideas into commercially viable technologies

## 13. **Aerospace and Defence**

13.1. Aerospace and Defence has emerged as the sunrise sector in the context of Indian manufacturing. More liberalized regulatory regime and an accelerated passenger demand, the sector provides plethora of opportunities for private players.

13.2. The Aerospace and Defence sector is a potentially untapped and growing market for Punjab. With an accelerated industrial activity, increasing tourist footfall and the recent launch of the new international airport at Mohali, the State is all set to witness an expedited growth in the air passenger traffic. In addition to this, well-established Domestic Airports in Ludhiana, Bhatinda and Pathankot will further boost to the air traffic growth in the region.

13.3. Punjab holds a strong base of a pre-existing ecosystem for the Aerospace and Defence sector, which provides it an edge over other states. The State has a strong base of close to 1.6 lac. MSME primarily developing hand tools, machine tools, automotive components, etc. A lot of companies possess advanced manufacturing capabilities including technical know-how of manufacturing defence equipment.

13.4. Base Repair Depot established by Indian Air Force for overhaul of aero-engines/aircraft specific items, 6 Airforce stations in the State and strong R&D support for advanced manufacturing including Central Tool Room (Ludhiana) further strengthens the sector

### 13.5. **Aerospace and Defence Park**

The State would set up an Aerospace and Defence Park, which would provide for manufacturing facility as well as testing facility. The State would develop Advanced Manufacturing Parks especially along the Amritsar Kolkata Industrial Corridor (AKDIC) and Integrated Manufacturing Cluster (Rajpura-Patiala) to attract new investments.

### 13.6. **Punjab as MRO Hub**

13.6.1. Punjab has one of the highest airport density in the country with 2 International Airports – Mohali (Chandigarh) and Amritsar and 3 Domestic Airports – Ludhiana, Bhatinda and Pathankot.

13.6.2. Punjab also has 6 IAF stations: Chandigarh, Amritsar, Bathinda, Pathankot, Halwara and Adampur. Punjab is strategically located to cater the growing air traffic movement of states including Himachal Pradesh, Jammu & Kashmir, Delhi and Haryana. There exist a huge potential for Punjab to become MRO hub of Northern India with no major MRO in northern India.

13.6.3. The State would develop Mohali-Patiala region as MRO hub with repair and maintenance warehouses in Aerospace and Defence Park being set up.

13.6.4. The State would also develop MRO hub for the in-service platforms, equipment and weapons of the Indian Air Force and Indian Army.

#### 13.7. **Ex-Servicemen as ready talent pool**

Punjab has a huge talent pool of trained professionals who retire from Indian Air Force and Indian Army particularly Army Aviation. It would be worthwhile to leverage the available expertise and utilize this expertise by initiating train the trainer programme. These ESMs can be employed to run vocational training centres and impart training to youngsters.

#### 13.8. **Advanced Manufacturing University**

Punjab should also have its own Advanced Manufacturing University with the prime focus on next industrial revolution - Industry 4.0.

#### 13.9. **Promotion of Common Facilities via PPP mode**

The State would partner with private sector interested in setting up Common Facility Centers for the Aerospace and Defence Industry. The State would provide land and other institutional support where as Private Partner will build, operate and own common facilities for areas such as training, testing, design etc.

#### 13.10. **Handholding**

The State would provide necessary handholding to the companies operating in Defence & Aerospace sector particularly for the existing manufacturers:

- (i). Mapping of the capabilities and latent potential of the companies
- (ii). Mapping of the Opportunities in the Defence & Aerospace Sector
- (iii). Helping companies to diversify into Defence & Aerospace
- (iv). Partial cost of certificates and additional compliances required as per the military standards and airworthiness
- (v). Handholding companies to enter into global supply chain
- (vi). Facilitating Technology ties ups
- (vii). Develop common testing facilities and provide access to the companies
- (viii). Market Access Programmes: Government will handhold companies to explore new markets and sponsor their participation in international exhibitions and provide platforms to attract potential investors into the state
- (ix). The focus will be on defence offsets, revenue procurements of Indian Army, Indian Air Force, Upgrades, life extension and Maintenance, Repair & Overhaul (MRO) of the in-service platforms.

#### 13.11. **Expansion of Defence PSUs**

The State would follow up with Central Government for DPSUs to set up new manufacturing plants owing to their expansion plans in Punjab. These units will act as anchor to attract new players and help

existing players to diversify into defence.

#### **Annexure – B: Sectoral Strategies for Service Industries**

These are initial broad based strategies for development of various sectors of service industries and would evolve during the course of implementation of the Policy. A detailed sectoral policy/action plan would be prepared for each sector to accelerate its growth and generate entrepreneurial opportunities and quality jobs.

##### **1. IT, ITES & Electronics**

###### **1.1. Dedicated Agency for promotion of IT & Electronics**

Department of IT supported by Punjab Infotech will be dedicated agency for promotion of IT & Electronics. The Department of IT will be located in Udyog Bhawan to bring synergy with Department of Industries and Invest Punjab.

###### **1.2. Development of SAS Nagar as IT Investment Region**

The area around SAS Nagar will be developed as IT Investment Region to promote IT and electronics sector in a big way.

###### **1.3. Development of IT City, SAS Nagar**

IT City, SAS Nagar is very strategically located in close proximity of International Airport and has already attract some very reputed IT companies including Infosys. The State would endeavour to bring companies, which are involved in the advanced areas of IT such as product development, data analytics, animation, video, gaming etc.

###### **1.4. Development of new IT & Knowledge Park**

Keeping in view the great potential to attract IT, the State would develop another IT and Knowledge Park close to SAS Nagar.

###### **1.5. Providing land on long lease**

The State would endeavour to provide land on long lease to IT/ITES units.

###### **1.6. Development ESDM sector**

###### **1.7. To tap the enormous potential in ESDM sector, the State has declared SAS Nagar as Brownfield electronic cluster (EMC). Further, 40 acres of land has been earmarked for Greenfield ESDM sector in IT city in SAS Nagar.**

###### **1.8. The State will take following initiatives for strengthening ESDM growth:**

###### **1.8.1. **Providing land on long lease:** The State would earmark another 200 acres for IT and ESDM sector in close proximity of SAS Nagar. The State would endeavour to provide land on long lease to ESDM units willing to setup businesses there.**

###### **1.8.2. **International Desk:** To attract foreign investments in the ESDM sector and to enable an investor friendly experience for the foreign investors, the State would be setting up International Desks for focus countries to facilitate such prospective global investors.**

###### **1.8.3. **Preferential Market Access (PMA):** To encourage state manufactured goods, Preferential Market Access (PMA) shall be given to Electronics hardware manufacturing units in the State for the products procured by all government departments in the State. It shall include exemption from submission of EMD to Government Departments**

###### **1.8.4. **Common Facility Centers:** The State would provide common facility centers at ESDM clusters which shall include, component testing, EMI/EMC lab, Innovation and Research Centres**

**1.9. Promoting BPOs**

To promote BPO/ITES Operations and creation of employment opportunities for the youths and growth of IT-ITES Industry, Government of Punjab shall establish BPO cluster in Amritsar. With the presence of International airport and STPI Center, Amritsar can be positioned as BPO hub.

**1.10. Promoting AVGC Industry**

- 1.10.1. To increase creative capacity and develop a competitive advantage for AVGC industry, the Government shall facilitate the establishment of common facilities etc. and shall explore the possible opportunities to develop AVGC Centre of Research and Innovation in PPP mode.
- 1.10.2. The Centre will facilitate the companies to undertake research by providing access to advanced technology equipment/studio facilities, researchers and tie ups with Universities.
- 1.10.3. The Government shall facilitate the establishment of Skill Centre, which will facilitate training in advanced technology equipment/studio facilities, and related software which is used for producing animation movies.
- 1.10.4. Government of Punjab will take necessary steps to align the curriculum as per the industry needs and explore possibility to introduce industry recognized certificate courses in degree colleges and universities.

**2. Life Sciences**

Please see Life Sciences and Biotechnology sector in manufacturing sectors in Annexure-A

**3. Logistics****3.1. Growth Potential of Logistics Sector**

- 3.1.1. Currently the annual logistics cost of the world is estimated at about USD 3.5 Trillion. India spends around 14.4% of its GDP on logistics and transportation as compared to less than 8% by the other developing countries. The Indian logistic market, valued at USD 123 billion in 2015 and is poised to reach USD 160 billion by 2018, growing at a CAGR of about 9 percent.
- 3.1.2. The State recognizes the enormous potential in the sector and will provide necessary modern infrastructure, technology and ecosystem which will facilitate the State of Punjab in becoming favourite destination for warehousing and logistic sector in country.

**3.2. Dedicated Agency for development of logistics in Punjab**

Department of Industries and Commerce will handle the work related to the growth and development of the Logistic sector in the state. The State shall set up a dedicated Logistics Development Cell manned by personnel of appropriate qualification which shall be responsible for attracting investors and for framing and executing the broad strategy for logistics development in the State.

**3.3. Green Channel for Exim Cargo**

Trucks/Vehicle carrying exim cargo shall be allowed to move via green channel (involves less or no inspection) to prevent delays.

**3.4. Development of Transport Nagar in major cities**

The transport nagar in major cities have come quite inside the city and causing many problems. The State would facilitate upgradation of existing transport nagar as well as setting up new transport nagar.

**3.5. Development of Dry Ports**

- 3.5.1. Presently, five customs notified CFS/ICD terminal are at Ludhiana, Jalandhar, Amritsar (Chheharta), Bathinda and Dappar (Dera Bassi). A multi-modal logistic park has been established in Ludhiana which provides facilities including, dry port, silos/warehousing, bulk handling yard and temperature controlled warehousing zone.

- 3.5.2. Govt of Punjab shall further focus on strengthening dry port in Dappar by providing required facilities including rail link. After the implementation of GST, Dappar will play major role in warehousing sector, which is poised for an enormous expansion in the State

**3.6. Development of Industrial Logistics and Warehousing hub in Zirakpur-Tepla-Rajpura**

Zirakpur is the intersecting point on Shimla-Delhi-Patiala highway. As such, it has potential to grow as a natural hub for warehousing. After the implementation of GST, Warehousing Sector is poised for an enormous expansion in the State. This will encourage hub and spoke model. Zirakpur, along with Tepla and Rajpura can emerge as primary logistics hub, which can cater to freight from Shimla, Baddi, Delhi and Punjab. State Government shall provide infrastructure support (i.e proper roads, uninterrupted power supply, ample parking space) to develop the above mentioned area as industrial logistics and warehousing hub.

**3.7. Other logistics hubs along EDFC/AKIC**

The State shall commission a demand survey to assess the requirement of setting up additional logistics hubs along the EDFC/AKIC.

**3.8. Development of ICP at Attari**

The State shall endeavour to acquire and develop an industrial park contiguous to the ICP at Attari. It shall commission a demand survey to assess the demand for industrial plots in the park.

**4. Tourism & Hospitality**

**4.1. Growth Potential of Tourism and Hospitality**

World over, Punjab is known as the land of five rivers, the cradle of Indus valley civilization and prosperity. The State is home to many prominent historical and religious sites. The State is the fastest growing state in tourism with 24.25 Mn Domestic and foreign tourists in 2014. The tourism sector is an important source of creation of income, employment and regional development. It can act as a key economic driver to boost the economy of the state.

**4.2. Amritsar: Establishment of hotel city and tourism facilities etc.**

- 4.2.1. The State Government has adopted measures for developing Amritsar city as a Tourist Hub. New attractions in Amritsar are Heritage Street, Entrance Plaza and Interpretation Centre at Golden Temple, Partition Museum, Sadda Pind, War Memorial, Ram Tirath Complex & Fort Gobindgarh, Amritsar and with this, it has now become a three-day destination unlike the past when it was a day's trip.

- 4.2.2. Amritsar is also known as City of Hotels with lots of cuisine and flavours, but it requires expansion to manage and accommodate more tourist influx to the city. Private sector will be encouraged to participate towards creation of accommodation facilities. Government will bridge the infra gap around the destinations in the city.

**4.3. Developing Patiala as Heritage City**

- 4.3.1. Patiala being a princely State known as City of Palaces, Parks and Polo, has a number of heritage buildings: Qila Mubarak, Sheesh Mahal, Medal Gallery, Bahadurgarh Fort, Bir Moti Bagh Wildlife Sanctuary, Old Moti Bagh Palace, Gurdwara Dukh Niwaran, Qila Mubarak, Nabha, Bir Bhadson, Wildlife Sanctuary, Hira Mahal, Darbar hall (Museum), Mughal Sarai for showcasing.

- 4.3.2. The State plans to develop Patiala and the areas around Sirhind-Patiala-Nabha-Sangrur as heritage zone/arch like earlier followed initiatives to develop Amritsar to Kapurthala. Old architecture will be conserved in the identified areas. The State will frame regulations for demarcation of zones. The State will develop infrastructure around these destinations. Private sector will be encouraged for investing and promoting the heritage properties under PPP mode.

**4.4. Tourism Units in PPP Mode**

- 4.4.1. To promote vacant and unutilised state properties, the State will target to create world-class infrastructure and facilities at these tourist locations and encourage participation from Private Sector.
- 4.4.2. The State will facilitate provision of support infrastructure facilities such as uninterrupted electricity supply, strengthening of water supply, sewage system, approach roads, parking facilities at various tourist locations.

**4.5. Conversion of Heritage Properties**

- 4.5.1. There are several private heritage properties like havelis /palaces/forts etc. The State Government shall encourage conversion of these properties into Hotels/ Museums/ Libraries/ Clubs/ Theme Parks/ Convention Halls etc.
- 4.5.2. Heritage hotels situated on narrow roads in urban areas which arrange for a dedicated alternative parking on a 40/60 feet wide road and provide for the park and ride system from hotel to parking place, shall be permitted to operate. Similarly heritage hotels situated on narrow roads in Rural and Panchayat/ Rural Areas will be permitted to operate. The same shall be applicable for existing heritage buildings proposed to be used as Heritage hotels.

**4.6. Green Hotels**

Units classified as Green Hotels will be given extra incentives in addition to the benefits admissible to normal units.

**4.7. Declaring the Old City Area**

Declaring the Old City area in prominent cities like Amritsar, Ludhiana, Jalandhar, Patiala etc. where area is not available for parking vehicles. Hotel constructions which are of 20 years or above shall be exempted from parking places. The State will provide dedicated alternative parking and park and ride system from hotel to parking place and a congestion charge can be levied on all such hotels.

**4.8. Licenses and Clearances**

Tourism projects require various licenses and clearances like lodging house license, eating house license, Police permissions, license under the Shops & Establishment Act, and license under the Food & Drug Admin. Act etc. These licenses have to be renewed every year. The process for renewal would be simplified and made online.

**4.9. Separate Policy**

The State would also bring a separate detailed policy for promotion of tourism sector.

**5. Entertainment & Film Industry**

- 5.1. India's blooming media and entertainment sector is one of the fastest growing industries in India. It is driven by rapid digitization and internet usage across the value chain.
- 5.2. The film industry in Punjab is popularly known as "POLLYWOOD" and is on a growth trajectory. With the change in lifestyle and spending patterns of masses on entertainment, there is a great potential to be explored. Additionally, the benefits of film tourism are becoming increasingly apparent. Appealing to wide and diverse markets, film tourism offers something for everyone, and tourism organizations can use films as springboards for promoting their destinations and local attractions.

**5.3. Setting up of Film City in Punjab**

- 5.3.1. The Film City shall focus on promoting Punjab as a film shooting destination in the national and international market, provide impetus to the local film industry in Punjab, enhance the entertainment content especially the Punjabi language and promote the infrastructure in the Entertainment Industry.

- 5.3.2. It will open new avenues for youth and interested talent can easily access the technical know-how for the Industry.
- 5.3.3. The Film City will be developed on appropriate PPP model with world-class amenities. It will help the State in attracting investment and generate employment.

#### **5.4. Amusement Infrastructure**

All new investments in special theme parks/ amusement parks/ water parks/ adventure parks/ cinematic tourism like film institute/ film city/ film studio/ theatres/ mini-theatres etc. shall be given upto 100% exemption from entertainment tax and land at concessional rates or unutilized government buildings to be allocated as per specification of the unit after consultation with the Housing and Urban Development and District Administration.

#### **5.5. Separate Policy**

The State would also bring a separate detailed policy for promotion of tourism sector.

### **6. Healthcare**

#### **6.1. Growth Potential of Medical Tourism**

- 6.1.1. India is emerging as a medical tourism destination and is set to drive cross border healthcare services. The healthcare sector in India is forecasted to reach USD 160 billion in 2017, (about 4.2 per cent of GDP) and to USD 280 billion by 2020. The sector has attractive value proposition and can offer growth opportunities to the entrepreneurs and private partners.
- 6.1.2. Medical tourism is being considered as India's next growth engine. Patients from all over the world are coming to India to have quality, low cost healthcare treatment. Medical value travel is fast emerging as India's distinct proposition, adding considerable value to the GDP.
- 6.1.3. The medical value travel market in India has been estimated to grow at a CAGR of 30 percent to reach USD 10.6 billion in 2019, from USD 2.8 billion in 2014. People from different parts of the world are travelling to India to capitalize on the comparative cost advantage and quality services offered by Indian medical facility.
- 6.1.4. The State has large footfall due to religious tourism and is an ideal destination for medical tourism. Punjab is also situated strategically and can be gateway for to the whole of Central Asian belt including countries like Pakistan, Afghanistan, Iran, etc

#### **6.2. Development of Medicity, New Chandigarh**

The State has developed Medicity in New Chandigarh with an aim to bring in highest standards in medical care along with clinical research, education and training. Many prominent institutes have already been allotted land which include Tata Memorial, Homi Bhabha Cancer Hospital and Research Centre, Indo- UK Healthcare Pvt Ltd (Kings College London) for setting up of a medical college, Max Healthcare, Chaitanya Super speciality hospital, Grewal Eye Institute etc.

#### **6.3. Creation of new Medical Clusters**

The State will create new medical clusters nearest to the cities which are the hub of tourism. The State will identify and provide land within radius of 5-`10 KMs from the main city. This cluster will be home to various hospitals, specialized health services, test labs, hotels, guest house and other support infrastructure.

#### **6.4. Providing Support Infrastructure**

For existing medical enterprises, Government will provide support infrastructure such as provision of commercial land nearest to the medical enterprises which shall be used to provide affordable accommodation to the relatives, companions to the patient. The State would also encourage providing

guest house facilities and bread and butter scheme in the nearby residential areas. This will not only solve the problem of affordable accommodation but shall also provide business opportunities.

#### **6.5. Medi-Portal for the Promotion of medical facilities**

The State in partnership with healthcare service providers shall take active part in promotional activities to exhibit the services of healthcare providers in state. The State will launch health tourism portal which can assist medical tourists about the health care facilities available in state. It can be single window to provide information of hospital locality, specialty, languages, and procedures and stay related information (such as stay cost, availability of hotels, guest houses in surrounding areas). The portal can also provide information related to visas, flight timings, taxis etc.

#### **6.6. Setting up of foreign language and healthcare training centers**

The State will facilitate foreign language training in major cities of Punjab. This will encourage youths to develop special skills in languages as well as soft skill that are patient centric to the healthcare delivery system. This initiative shall help youths in getting placed with hospitals which are providing healthcare services to foreign patients.

### **7. Educational Services**

#### **7.1. Attracting Investment in Higher Education, Technical and Vocational Sector**

The State shall set up a dedicated unit to promote and attract investment in Higher Education, Technical and Vocational Sector in the State. It shall assist in attracting and facilitating setting up of nationally and internationally reputed institutions of higher education, technical and vocational sector.

#### **7.2. Development of Industrial Parks in educational clusters**

The State acknowledges the importance of education sector and its potential in providing skilled manpower for sustainable industrial growth. The State shall encourage setting up of industrial parks in close proximity to educational institutions forging greater linkages between industry and academia.

#### **7.3. Development of Knowledge City in Roopnagar**

The State has already setup a Knowledge city in SAS Nagar, spread over 400 acres. The cluster encompasses institutional zone comprising National Agri-Food Biotechnology Institute (NABI), Innovation Zone comprising Centre of Innovative & Applied Bio-processing (CIAB) and Punjab Biotechnology Incubator (PBTI) and Industrial Zone comprising Mohali Biotechnology Park. The State shall take further initiatives to attract other reputed institutes to be setup in Knowledge city.

The State shall also endeavour to develop knowledge city in close proximity to IIT, Rupnagar attracting top education brands of national and international repute to set up institutes and campuses in the State.

### **8. Retail**

#### **8.1. Brick and Mortar Retail Projects**

The State shall facilitate setting up of Retail enterprises, which will include brick and mortar multi-product, single product, multi brand, single brand, retail outlets, Retail Parks and Warehousing and Fulfilment Centers. The State shall ensure sufficient space for retail in various cities by ensuring it in city master plans. The retail parks should preferably be adjacent to a highway and with an integrated public transport system.

#### **8.2. Relaxation in Labour laws**

In order to promote the retail industry in Punjab, and generate employment opportunities for local youth, the State will undertake necessary reforms in labour regulations.

**8.3. Relaxation in Infrastructure norms**

The State will review norms for infrastructure development and work towards providing following:

- (i). Increase in FAR, ground coverage and building heights
- (ii). Allowed to set up the Recreation Ground (RG) area for the customers

**8.4. Retail hubs**

The State shall facilitate the setting up of retail hubs at strategic distances between major cities on national and state highways which would serve as rest stops for travelers. These complexes will include Single/Multi brand retail zones, food streets including International food chains and also petrol pumps/refueling stations with basic civic amenities and sufficient parking.

**8.5. Retail Entertainment Zones**

The State will earmark space for Retail cum entertainment zones including multiplexes in all cities. These zones shall have with direct access to mass public transport systems; secure a traffic plan designed for the long term; secure all year round electricity, water, gas, sewage and IT connections and other support infrastructure.

**8.6. Hotel City**

The State shall promote the setting up of Hotel Cities in the vicinity of major cities. Initially hotel cities will be planned at Mohali and Amritsar as these cities have International airports and high tourist footfall.

**8.7. Retail Development Cell**

The State shall set up a dedicated Retail Development Cell manned by personnel of appropriate qualification which shall be responsible for attracting investors and for framing and executing the broad strategy for retail development in the State.

**9. Reality Services****9.1. Reality Sector – Driver of Economic Growth and Employment**

A well-developed real estate sector contributes to the conversion of unused or underused resources into productive capital, hence increasing employment opportunities and reducing poverty. It impacts economic activities across the sector and is a key contributor to the economic growth.

**9.2. Development of an integrated and efficient legal and administrative framework for Reality Sector**

The State would develop an integrated and efficient legal and administrative framework for Reality Sector in harmony with national and international norms. It will particularly strive to achieve the following:

- (i). The security of real estate transactions should be enhanced by identifying and protecting property rights through the establishment of an efficient system for the registration, cataloguing, classification and updating of real property data, based on up-to-date land registry and cadastre records.
- (ii). Spatial plans can be a key instrument for territorial development. They should be based on clear and unambiguous land records and uniform spatial reference. Efficient use of resources that encourages respect for landscape and the quality of the environment should be developed. These plans thus have both a regulatory and development function.
- (iii). Effective and harmonized sets of urban plans and building regulations should be in place at local level by local authorities.

- (iv). An integrated land administration system contributes to the following:
- (a). Developing and monitoring the correct operations of land and real estate markets;
  - (b). Improving urban planning and development of infrastructure;
  - (c). Supporting more equitable land and property taxation;
  - (d). Guaranteeing ownership and security of tenure;
  - (e). Supporting environmental management;
  - (f). Providing property guarantee for credit;

### 9.3. **Reality Sector Development Cell**

The State shall set up a dedicated Reality Sector Development Cell, which shall be responsible for attracting investors and for framing and executing the broad strategy for Reality Sector in the State.